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ABSTRACT

This document contains 16 issues of the first 5 years of a newsletter encouraging collaborative research and informed policy on welfare reform and focusing on the use of an on-line database of child welfare research projects, as well as research and policy issues related to implementation studies, indicators of well-being, and administrative data. The newsletter was published quarterly the first year and three times yearly in subsequent years. Each issue focuses on a particular topic: (1) time limits on receipt of welfare benefits (January 1998); (2) evaluating welfare reform (May 1998); (3) financial incentives to move families off welfare (September 1998); (4) teen parent program evaluations (December 1998); (5) large-scale welfare waiver experiments and national research efforts (March 1999); (6) effects of welfare reform on children (July 1999); (7) the value of program implementation research (November 1999); (8) the role of administrative data and national data sets in understanding welfare reform (March 2000); (9) the role of the Temporary Assistance to Needy Families program in welfare reform (July 2000); (10) the Next Generation Project, a research partnership to examined the effects of welfare and employment practices on low-income children (November 2000); (11) diversity among welfare leavers and stayers (March 2001); (12) barriers to economic security among women TANF participants (August 2001); (13) research needs of advocates (November 2001); (14) research needs regarding children in immigrant families (February 2002); (15) former welfare recipients facing unemployment (May

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2002); and (16) relative caregivers in the child-only component of the TANF caseload (September 2002). (KB)

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National Center for Children in Poverty
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## 1998 - 2002

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the forum

VOL. 1, NO. 1 JANUARY 1998

RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# Welfare Research Reveals Early Challenges of Time Limits

Until now, summarizing welfare research on a particular program component has been a cumbersome task. A new on-line database designed and operated by the Research Forum on Children, Families, and the New Federalism simplifies this process, making it easier than ever before to analyze multiple research projects. The database presently includes summaries of 35 research projects which can be searched according to different features of the projects, such as findings, program components evaluated, and outcomes assessed. This article describes how Research Forum staff recently used the database to analyze current research on time limits and develop generalizations across these projects—just one of many analyses possible with the database.

**How to Use our New On-line Database**

**www.researchforum.org**

Time limits on receipt of welfare benefits are among the most prominent features of the new federal welfare law, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). The law states that families may not receive benefits for longer than five cumulative years; specific policies on time limits vary by state and even county. As policymakers, practitioners, and researchers attempt to assess recent changes in welfare policies and improve welfare programs, it is critical to understand the effects of these time limits on low-income families and children.

Two important caveats should be kept in mind about research on time limits. First, many projects in the database do not yet have findings or do not have findings specific to time limits. Most projects have been operating for only a few years. At least 11 of the projects are waiver evaluations begun between January 1987 and August 1996 when many states were granted permission or "waivers" to change aspects of their AFDC and Food Stamp program provisions. DHHS required that these changes be evaluated using a random assignment experimental design. Also, many of the available time-limit findings are interim and concern the process of implementing welfare programs. Nonetheless, important lessons can be learned from these evaluations at this time.

Second, research evaluations are seldom able to isolate and study a single program component, such as time limits, family caps, or financial incentives. When an evaluation includes an impact study with an experimental design, it usually tests the causal effects of a *package* of program components, sometimes referred to as a "black box." Most evaluations examine time limits in combination with other components specified in state and local welfare policy, as well as in the context of economic, demographic, and social factors unique to the program.

Sixteen projects in the Research Forum database

## Greetings from the Director—Barbara Blum

We are pleased to inaugurate this newsletter on the first anniversary of the Research Forum on Children, Families, and the New Federalism. While this issue focuses on our on-line database, future editions will describe other Research Forum activities, including research and policy issues related to implementation studies, indicators, and administrative data. We encourage our readers to suggest additional topics of interest.

The database now has a wealth of information about 35 welfare and income security research projects. New projects are always being added—eventually as many as 150 projects will be described. In early 1998, we plan to create a supplementary database containing a broader range of welfare and income security research projects. We also hope to expand the Research Forum database to incorporate general research on child and family well-being.

In order to demonstrate the kinds of analyses possible with the database, we chose to devote this issue to time limits. We have asked: How many database projects examine time limits? How many have interim or final findings? Are there common findings? Obviously, many other questions can be asked about time limits, as well as about other program components such as family caps, fiscal incentives, and school attendance requirements. Our hope is that researchers, policymakers, and practitioners will mine the project summaries in the database and use this research to inform their own work.

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examine time limits. Interim findings are available from three of these projects: Delaware's A Better Chance Evaluation, Connecticut's Jobs First: Welfare Reform Evaluation, and Florida's Family Transition Program. Final findings are available for a U.S. General Accounting Office (GAO) project that covers all 50 states but focuses on Iowa, Massachusetts, and Wisconsin. The chart on the facing page describes these four projects. All project information in the database is based on a protocol reviewed by the project's principal investigators or contact person and updated regularly.

One noteworthy project, which attempts to isolate the effects of time limits and work requirements from other welfare provisions, is the Vermont Welfare Restructuring Project Evaluation by Manpower Demonstration Research Corporation (MDRC). In this evaluation families are assigned to one of three groups: one group experiences all of the state's welfare provisions (e.g. financial incentives, transitional Medicaid) except time limits and work requirements; one group is subject to all provisions; and the third group is assigned to pre-reform ANFC (Vermont's AFDC requirements). An interim report on this evaluation is expected shortly.

### Implementing Time Limits is Difficult

Welfare administrators face formidable challenges in implementing time limits, with much of the decision-making burden falling on front-line welfare workers. States must establish systems to track recipients, adequately notify recipients of their status, and provide certain activities and services before benefits can be terminated.

The actual process of implementing time limits varies by location—across states, across welfare offices within a state, and even within a welfare office, across case workers and welfare staff. For example, in Connecticut and Florida, researchers found considerable staff discretion in reviewing cases that reach the time limit. Evaluators in Connecticut noted that staff discretion can lead to inconsistent case reviews and, subsequently, uneven treatment of welfare recipients. Yet, in some circumstances, staff discretion may be beneficial. Researchers in Florida observed that many "one-size-fits-all" decisions do not account for individual conditions or allow for necessary flexibility.

Delaware welfare staff emphasize the need for consistent communication on policy and procedural changes. Researchers note that welfare workers responsible for implementing time limits would benefit from:

- guidance on how to implement program features;
- standardized procedures for basic activities, like case reviews of participants who reach their time limit; and
- clear definitions of program terms, such as "compliant."

### Benefits Often End Before Time Limit

Many welfare recipients find their benefits cut off before their time limit is reached. GAO researchers found that approximately 18,000 families had their benefits terminated under waivers through December 1996, but 99 percent of these families had not reached their time limit. These terminations resulted mainly from failure to comply with program rules, particularly work requirements. Welfare recipients cite wanting to stay home with their children and an unwillingness to do community service or work for low wages as reasons for their noncompliance.

**Implementation of time limits varies by location—across states, across welfare offices, and even within welfare offices, across case workers and welfare staff.**

Through December 1996, most states rarely used benefit termination. About 72 percent (some 13,000) of the terminations in the GAO study took place in Iowa, Massachusetts, and Wisconsin. The three evaluations previously discussed do not yet have data on benefit termination related to time limits, although MDRC researchers in Florida note that almost all recipients who reached the time limit had their AFDC benefits canceled.

### Recipients Know About Time Limits

Research participants receiving welfare benefits usually are aware of program time limits. MDRC researchers in Connecticut and Florida found that recipients were generally aware of major program features, including time limits. In Florida, participants had heard about the time limit prior to anyone actually reaching it. However, a number of Connecticut recipients doubted that time limit rules would be enforced. Researchers warned that such doubts may adversely influence welfare use, contributing to the likelihood that recipients use up their time on assistance at an early age. Officials in Iowa, Massachusetts, and Wisconsin commonly believed their benefit termination provisions had contributed to increases in work activity, job placements, and families moving off welfare more quickly. More in-depth findings on the perceptions of time limits among recipients and staff in Florida, Vermont, and Wisconsin are described in *The View from the Field*, an October 1997 report from MDRC's Cross-State Study of Time-Limited Welfare.*

As more findings become available, additional consequences of time limits will be revealed. Areas in need of greater research are also becoming apparent, particularly the issue of family and child well-being once the time limit is exhausted and benefits are terminated.

To obtain further information on projects evaluating time limits, search the Research Forum database on the Forum's web site at **www.researchforum.org**.

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* Not yet included in the Research Forum database.

## Database Research Projects with Findings on Time Limits

### A BETTER CHANCE EVALUATION

| | |
|---|---|
| **Evaluator** | Abt Associates, Inc. |
| **Sponsor** | Delaware Department of Health and Human Services |
| **Project duration** | September 1995 – March 2000 |
| **Sites studied** | Dover, Georgetown, New Castle, and Wilmington, Delaware |
| **Time Limit** | 48-month time limit for most families |
| **Studies** | • Impact study (controlled experiment) of 5,051 welfare recipients<br>• Implementation/process study<br>• Descriptive/analytical study |
| **Notes** | The A Better Chance evaluation began as a waiver evaluation, but the experimental component (random assignment) was halted after the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. |
| **Publications** | *The A Better Chance Evaluation: First-Year Evaluation Progress Report* (February 1997)* |

### CONNECTICUT'S JOBS FIRST: WELFARE REFORM EVALUATION PROJECT

| | |
|---|---|
| **Evaluator** | Manpower Demonstration Research Corporation (MDRC) |
| **Sponsor** | Connecticut Department of Social Services |
| **Project duration** | January 1996 – December 2001 |
| **Sites studied** | Manchester and New Haven, Connecticut |
| **Time Limit** | 21-month time limit (with some exemptions and extensions) |
| **Studies** | • Impact study (controlled experiment) of 6,090 welfare applicants and recipients<br>• Cost-benefit study<br>• Implementation study |
| **Notes** | The Jobs First evaluation began as a waiver evaluation. |
| **Publications** | *Early Data on the Implementation of Connecticut's Jobs First Program* (December 1997)* |

### FLORIDA'S FAMILY TRANSITION PROGRAM

| | |
|---|---|
| **Evaluator** | Manpower Demonstration Research Corporation (MDRC) |
| **Sponsor** | Florida Department of Children and Families |
| **Project duration** | February 1994 – December 1999 |
| **Sites studied** | Escambia County (Pensacola), Florida |
| **Time Limit** | 24 months in any 60-month period (for most recipients) or 36 months in any 72-month period (for particularly disadvantaged recipients) |
| **Studies** | • Impact study (controlled experiment) of 5,430 welfare applicants and recipients<br>• Cost-benefit study<br>• Implementation study |
| **Notes** | The Family Transition Program evaluation began as a waiver evaluation. |
| **Publications** | *The Family Transition Program: Implementation and Early Impacts of Florida's Initial Time-Limited Welfare Program* (May 1997)* |

### WELFARE REFORM: STATES' EARLY EXPERIENCES WITH BENEFIT TERMINATION

| | |
|---|---|
| **Evaluator** | U.S. General Accounting Office, Health, Education, and Human Services Division |
| **Sponsor** | U.S. Senate Finance Committee |
| **Project duration** | April 1996 – April 1997 |
| **Sites studied** | States that implemented waivers prior to the August 1996 federal reforms, with a focus on Iowa, Massachusetts, and Wisconsin |
| **Time Limit** | Varies by state |
| **Studies** | • Descriptive/analytic study |
| **Notes** | This project describes: (1) those families whose benefits have been terminated under waivers; (2) federal or state benefits that are available and being received after termination; and (3) states' experiences in implementing these provisions. |
| **Publications** | *Welfare Reform: States' Early Experiences with Benefit Termination* (May 1997)* |

* For further information, project summaries in the Research Forum database include an Internet link to the evaluating organization.

## Research Forum on Children, Families, and the New Federalism

The Research Forum, an initiative of the National Center for Children in Poverty, hosted at Columbia School of Public Health, encourages collaborative research and informed policy on welfare reform and vulnerable populations. The Forum's ultimate goal is to identify and promote strategies that protect and enhance the well-being of poor children and their families.


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RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# Evaluating Welfare Reform
## *What Do We Know? How Can We Learn More?*

*Congress is convening three briefings on the effects and implementation of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. The first briefing, held March 19 before the Subcommittee on Human Resources of the U.S. House of Representatives, Committee on Ways and Means, focused on progress in implementing and measuring the effects of Temporary Aid to Needy Families (TANF), the state welfare block grant program created by PRWORA to replace the AFDC program (Aid to Families with Dependent Children). Speakers included the Assistant Secretary for Children and Families, U.S. Department of Health and Human Services (DHHS); state and local program administrators from Wisconsin, Florida, Maryland, and California; and representatives from the Nelson A. Rockefeller Institute of Government, Administration for Children and Families/DHHS, U.S. Census Bureau, and the Research Forum on Children, Families, and the New Federalism. This issue of* ***the forum*** *draws upon points made in the Research Forum's testimony, the content of which was largely taken from its on-line database (www.researchforum.org) and from collaborative activities with other research and policy organizations. (The full text of the testimony is available upon request.) Project titles in bold face are included in the database.*

As new welfare programs are implemented across the country, the conceptual framework and methods used to study welfare must change and adapt. Historically, welfare was governed by overarching federal policies that supported relatively stable programs and created an environment suitable for experimentation. Extensive research about these programs was conducted, including impact studies that tested the effects of specific interventions (see box on the next page). For example, analyses by Bane and Ellwood showed that many people used AFDC as a short-term support while a smaller group, sharing similar characteristics, continuously relied on it for longer periods of time. Findings from this earlier research should be kept in evidence, as they constitute a backdrop against which current changes produced by PRWORA can be compared.

Today's environment is significantly different. States and localities have adopted diverse combinations of programs and policies, with policy directives and funding likely to continue changing over time. Research must be nuanced and flexible enough to study these varied arrangements, while also enabling analyses across sites and on a national scale. Because policy and program changes are happening at a remarkably rapid rate, research that provides information quickly will be most useful, particularly so that practitioners can identify and address problems early on.

Presently, at least 40 large-scale research projects are examining programs and policies created under TANF or AFDC waivers. These projects include cost/benefit, impact, implementation, and descriptive/analytic studies, and they use data sources ranging from administrative data to surveys to direct observations. At least 25 of these projects have interim or final findings, generating relevant information about time limits, family caps, financial incentives, school mandates, and other program requirements. (See ***the forum*** January 1998 issue for an analysis of recent findings on time limits.)

### Existing Research Gaps

There are a number of gaps in the topics currently examined by the large-scale projects. These include:

- ***Child Outcomes.*** Children constitute about two-thirds of welfare caseloads, yet only a few projects incorporate direct assessments of child well-being (e.g. MDRC's **National Evaluation of Welfare-to-Work Strategies** and DHHS-sponsored research in **Connecticut, Florida, Indiana, Iowa, and Minnesota**).
- ***Substance Abuse.*** The **National Center on Addiction and Substance Abuse** at Columbia University is currently planning the only large-scale evaluation of an intervention for substance abusers—one of the most difficult groups to serve in the TANF population. Despite generous funding from the Robert Wood Johnson Foundation, the sample size will be relatively small and the study may not address child outcomes.
- ***Status of Individuals Who Leave the Rolls.*** Except for the Urban Institute's **Assessing the New Federalism** (ANF) project, very little work is being done across states or on a large scale to follow indi-

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## Welfare Research Findings: 1980–1996

Below are major findings from selected large-scale, randomized experiments.

| Findings | Evaluator/Project |
|---|---|
| Modest program investments produce modest gains in employment and income, along with modest reductions in welfare costs and participation. | Manpower Demonstration Research Corporation (MDRC): **National Evaluation of Welfare-to-Work Strategies*** |
| Impacts on employment, income, and welfare savings are largest for the most disadvantaged individuals—those with the least prior work experience and lowest school grade completion. | MDRC: **National Evaluation of Welfare-to-Work Strategies** |
| Well-administered job search interventions can effectively move participants into the work force. | MDRC: **Gain Evaluation** |
| Although education and training programs require ample investment over time and may not produce short-term impacts, the significant long-term outcomes achieved in well-designed programs, like those at the Center for Employment Training, should not be dismissed. | MDRC: Minority Female Single Parent Demonstration |
| Producing positive impacts among the teen parent population is especially difficult. | MDRC: **Ohio's Learning, Earning, and Parenting Program (LEAP)** and **New Chance**; Mathematica Policy Research, Inc.: **Teen Parent Demonstration**** |
| Very disadvantaged, long-term welfare recipients benefit significantly from a structured work experience designed to increase demands on the worker over time. | MDRC: National Supported Work Demonstration |
| In a program where clients have incentives to work and seek child support orders, noteworthy employment and income gains can be achieved, as well as savings to the state. | Abt Associates, Inc.: **New York Child Assistance Program Evaluation** |

* Formerly called the JOBS Evaluation.
** The Joint Center on Poverty Research, MDRC, Mathematica, and the Research Forum are sponsoring a comprehensive review of findings from these research projects.

viduals longitudinally. Research efforts by individual states provide only limited information about the effects on children of leaving welfare.

- ***Immigrants.*** Although immigrants are subject to the earliest and most extensive changes, only **ANF** and a few other more modest projects are researching the impacts of PRWORA on this population.
- ***Rural Areas.*** While urban areas deserve attention, rural areas also should be studied, particularly those with high concentrations of the population on welfare. For instance, one third (220,000) of the total population in Fresno County, California receives TANF benefits.

### Developing New Research Tools

In the current environment, certain research methods seem especially useful. These tools are used in many of the large-scale projects underway, but they can be applied more frequently and often need further development. They include:

- ***Implementation/process studies.*** Implementation studies describe how policies are actually translated into practice—what is happening "on the ground." Study topics range from the organization of management activities to interactions between welfare staff and recipients. This research often addresses the feasibility of replicating programs elsewhere. With implementation research, findings can be produced relatively quickly. The Rockefeller Institute's **State Capacity Study** and the Urban Institute's **ANF** are two noteworthy, large-scale projects that focus on state decision-making and systemic effects under PRWORA. Interim findings are available for both of these projects.

  Many projects, such as Abt's **Alabama ASSETS Demonstration** and MDRC's **Florida Family Transition Program Evaluation**, couple implementation studies with impact studies. Findings from these projects can be extraordinarily informative, identifying factors that contributed to the program's impacts and providing suggestions on how to implement interventions more effectively.

  New value needs to be attached to this genre of research and more implementation studies supported at the state and local levels. The Institute for Research on Poverty at the University of Wisconsin-Madison has invited the Research Forum to work with a distinguished group of researchers to do this. These efforts will be described in future issues of ***the forum***.
- ***Administrative data.*** In an era of computerized management, links between administrative data sets will be necessary to even partially answer many basic questions. In some states, this capacity is developing very well; in many others, capacity remains quite weak. (Here is one



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instance in which variation may not be desirable.)

TANF records can be matched with:

- Unemployment Insurance and/or wage reporting systems, to identify TANF recipients moving into jobs with benefits;
- Internal Revenue Service records for information on tax payments and income;
- Earned Income Tax Credit (EITC) records for wage levels and EITC supplements;
- Child Support Enforcement systems, to show if income from a custodial parent is supplementing income from TANF;
- Medicaid and Food Stamps records, to indicate if non-cash benefits are continued after termination of cash benefits; and
- Protective and foster care systems data, to identify problems affecting children.

These links can generate some of the most timely and accurate information about PRWORA. To fast-forward the use of administrative data, confidentiality and capacity issues need to be addressed.

- ***Large data sets.*** There are also opportunities to mine the major data sets, such as the Survey of Income and Program Participation (SIPP), Panel Study of Income Dynamics (PSID), National Longitudinal Survey of Youth (NLSY), and Current Population Survey (CPS). However, these data sets were not constructed for state and local analyses. To generate information relevant to PRWORA, these data sets need to be modified to enhance state sample size, coverage of program participation, and assessment of child and family outcomes. One example of such modification is the Census Bureau's extension of two existing SIPP panels. The result, entitled the Survey of Program Dynamics (SPD), is designed to assess the effects of new policies on the well-being of welfare recipients and their families. Provided that attrition is not a limitation, this effort will produce important time series data, prior to and after the enactment of PRWORA.
- ***Impact studies.*** Impact studies continue to be an important means of testing the effects of welfare reform. As the current PRWORA ferment settles down, exemplary initiatives will be recognized, and impact research about these initiatives can again be supported.

Another important activity is the disseminating, sharing, and archiving of existing research and data. A number of notable efforts to achieve this are underway. The Welfare Information Network (WIN) is bringing together a group of government and nonprofit organizations that are tracking the devolution of welfare programs, to share information and reduce duplication in data collection. (WIN also hosts a web site at www.welfareinfo.org.) Weekly audio conferences hosted by the Center for Law and Social Policy explore states' experiences and new research findings related to TANF implementation. The Welfare Reform Academy at the University of Maryland hosts monthly conferences, telecast by satellite, on various welfare reform topics. It has also formed an expert panel of researchers to evaluate current research efforts.

In addition, the Congressional Research Service has created an inventory of projects, which will be available in the *1998 Green Book*, published annually by the U.S. House of Representatives, Committee on Ways and Means. The Institute for Women's Policy Research moderates a listserv (Internet bulletin board), which provides a forum for daily discussion and information (www.iwpr.org). The database and web site developed by the Research Forum are another resource (www.researchforum.org).

The experience of the Research Forum during the past sixteen months indicates that much more remains to be done. Researchers need to be encouraged to address questions of relevance to policymakers and practitioners, and findings should be presented in a format that is comprehensive and clear. Ultimately, reliable findings from well-designed research should play an integral role in making federal, state, and local policy and program decisions. The deliberations to reauthorize PRWORA in fiscal year 2002 represent an important opportunity to use research findings to inform public policy decision-making.

## Note from the Director–Barbara B. Blum

At the hearing, members of the Subcommittee expressed concern about how they can best be informed of PRWORA's effects given the very great variation in local program design and the concomitant increase in agencies involved in implementing welfare and other social program changes. Members raised questions about accountability for overseeing program and research activities at the federal agency level and about development of criteria to measure the positive and negative effects of PRWORA at state and local levels. The well-being of children was cited as a prime concern, particularly since the emphasis on early entry to the work force may leave many parents in very low-wage jobs, without further education or training designed to improve their skills.

The questions seemed to be right on target. A focus on income and child well-being is basic to understanding the effects of PRWORA and can be useful in shaping future social policies. The challenge, of course, is to ensure that research is well-designed and adequately supported.

## Research Forum on Children, Families, and the New Federalism

The Research Forum, an initiative of the National Center for Children in Poverty, hosted at Columbia School of Public Health, encourages collaborative research and informed policy on welfare reform and vulnerable populations. The Forum's ultimate goal is to identify and promote strategies that protect and enhance the well-being of poor children and their families.


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RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# Financial Incentives Can Be Key to Moving Families Off Welfare and Raising Income, Research Reveals

*by Ellen C. Berrey*

At least 30 states are now using financial incentives in their welfare programs. Financial incentives change the economic structure of income support policies to "make work pay." They reward recipients who look for a job, work, or work longer hours. With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), states have the opportunity to design Temporary Aid for Needy Families (TANF) programs to replace AFDC that include a variety of financial incentives. Among the most prominent of these are earnings disregards, which in New Jersey, for example, enable a working TANF recipient to keep 100 percent of her income during her first full month of employment. Increased asset limits allow TANF families in North Carolina to own a car worth $5,000 and retain $3,000 in assets. Earnings supplements and benefits like the Earned Income Tax Credit (EITC) also can make work in the low-wage labor market considerably more advantageous than public assistance. Other financial incentives include bonuses or benefit increases for enrolling, participating, or completing a program; Individual Development Accounts; and utility, food, rent, child care, or shelter allowances often paid directly to the recipient.

While earlier research raised concerns that financial incentives could reduce recipients' work effort, more recent findings indicate that incentives are helping some families improve their income, obtain jobs, and escape poverty without increasing welfare receipt. This article describes findings from three large-scale evaluations of programs with significant financial incentives in Canada, New York, and Minnesota (see chart on p. 3). To encourage specific behaviors, each of these programs supplements income and/or lowers the rate at which cash benefits are decreased as recipients' earnings increase. The two U.S. programs were created through state waivers available prior to the passage of PRWORA. All three evaluations include controlled experiments with random assignment of welfare recipients into treatment and control groups in order to assess the programs' impacts.

The lessons outlined here are not conclusive; final findings are available only for the New York project. Caution should also be exercised in comparing results from programs with different economic situations, incentives, and research samples. Nevertheless, the three projects provide valuable lessons about how various financial incentives can be used.

## Generous Earnings Supplement Appears to Work

Canada's Self-Sufficiency Project (SSP) is a voluntary program for single parents. After receiving welfare benefits for one year, individuals who work at least 30 hours/week can leave welfare and receive an earnings supplement for as many as three years. This supplement is equal to half the difference between one's earnings and a target or "break-even" earnings level set at about U.S. $27,750 in British Columbia and about U.S. $22,500 in New Brunswick. The supplement effectively doubles income for jobs paying between U.S. $3.75–$6.00 per hour.

Interim findings show that Canada's SSP program is producing positive impacts—improving employment and

## Note from the Director–Barbara B. Blum

The growing disparity between levels of income for working poor families as compared to the incomes of our wealthiest families is one of the starkest issues facing our nation. The experiments described in this issue of *the forum* provide provocative clues about strategies to alleviate the magnitude of this income gap, which, at the same time can also reduce the level of poverty experienced by so many working families in the U.S. In addition, the research highlights challenges that must be confronted in conceptualizing an affordable approach to making work pay enough to provide adequate support to families.

The findings, however preliminary, are promising and should help guide our thinking about future income security policies which can further reduce the numbers of children living in poverty.

PS 030964

### Common Characteristics of Effective Programs with Financial Incentives

- Fully implemented policies
- Voluntary program enrollment but restricted eligibility
- Mandatory full-time (30 hrs/wk) work requirements
- Positioning "outside" the welfare system (e.g. state-funded, separate office location, different staff training, de-stigmatized program)
- Simultaneous changes in welfare office culture
- Explicit efforts to explain and promote incentives
- Well-constructed rules concerning the incentives
- Careful integration of the incentives with other components of the program

earnings while decreasing welfare payment and receipt. Over the first 18 months, 34 percent of the program group went to work full-time; 75 percent of these working individuals retained their jobs for at least six months. In the fifth quarter, program participants had incomes that were, on average, 23 percent higher (about U.S. $173/month more) than control group members and household earnings that were about 58 percent greater (about U.S. $103/month more). Welfare payments were 15 percent lower (about U.S. $87/month less). During this same period, participants' employment rates increased by 13 percent, and they worked 20 more hours each month—66 percent more hours than control group members. After 15 months, the program's net cost was approximately U.S. $1,500 per participant.

Policymakers and practitioners have expressed concern that financial incentives, particularly a supplement as generous as SSP's, may induce individuals to remain on welfare when they would not have otherwise in order to qualify for the incentive (also called "entry effects"). In SSP, very few Canadian welfare recipients—even those considered most knowledgeable about the earnings supplement—prolonged their stay on welfare in order to qualify for the incentive. Researchers cite the one-year eligibility restriction as a primary reason for the small overall entry effects. According to most program participants, their dislike of welfare, the difficulty of finding a job (and, thus, the imperative to take a job when offered), and the need to balance the demands of childrearing and work all precluded them from staying on welfare just to become SSP eligible.

## Success Seems to Hinge on Supportive Case Management

The New York Child Assistance Program (CAP) has an innovative grant structure that creates an incentive for custodial parents to establish court orders for child support from the non-custodial parent while enabling families to achieve incomes above the poverty level. Prior to entering this voluntary program, recipients must secure support orders for each child in the family. Also, recipients' earnings must reach the threshold where the CAP grant exceeds the welfare grant, which is typically about $350/month. This feature is intended to encourage recipients to begin working or to increase their earnings. Once families qualify for CAP, their base grant is about one third lower than the welfare grant level; however, a lower benefit reduction rate (10 cents for each dollar earned when monthly earnings are under the 1990 poverty level and 67 cents for each dollar when monthly earnings are above that level) raises families' incomes above the poverty level before they lose program eligibility.

Final findings show that CAP had many positive impacts. Over five years, CAP produced 20 percent greater household earnings ($2,613 more per family, on average, than the control group) and 4 percent smaller welfare payments ($1,613 less). After five years, program participants had 6 percent higher employment rates than control group members; within the treatment group, those who participated in CAP had 38 percent higher employment rates. Overall, the program saved the state government about $2,366 per family, with approximately $50 million in total saving for the three counties where it is functioning. Researchers attribute these impacts to the combination of the high entry threshold, low benefit reduction rate, individualized case management, and the program's "non-welfare" image. The delivery of the CAP message through innovative packaging and marketing also seemed to play a significant role.

Different experiences in each CAP county highlight the importance of program implementation and how components of the program interact. For example, Monroe County, which had the greatest success for most outcomes, had an especially well-implemented program. Case managers in Monroe focused intensively on identifying job opportunities and assisting individuals to become employed, work more hours, and find better jobs. In contrast, the program in Suffolk County had low enrollment rates and less substantial impacts, which researchers partially attribute to weak program implementation, less active recruitment of welfare recipients by case managers, and the lack of a separate identity and office space for the program.

## Mandatory Work Requirement Can Make a Difference

Minnesota's Family Investment Program (MFIP) is a mandatory program with differing rules for welfare applicants and long-term recipients (individuals who have received benefits for 24 out of 36 months). Both applicants and recipients in the program are eligible for the financial incentives. When the work requirements are met, the base grant is increased by 20 percent and 38 percent of gross

## Database Research Projects with Findings on Financial Incentives*

### CANADA SELF-SUFFICIENCY PROJECT (SSP)

| | |
|---|---|
| **Evaluator** | Social Research and Demonstration Corporation (SRDC) |
| **Research duration** | November 1992 – March 2001 (Interim findings available) |
| **Sites studied** | British Columbia and New Brunswick, Canada |
| **Primary financial incentives** | Earnings supplement |
| **Forthcoming publications** | *Final Report on 54-month Impacts and Cost/Benefit Findings (June 2000), Report on 36-Month Impacts (September 1999); Report on SSP Plus (November 1998); When Financial Incentives Encourage Work: Complete 18-month Findings (September 1998)* |
| **Publications** | *Do Work Incentives Have Unintended Consequences? Measuring the "Entry Effects" in the Self-Sufficiency Project (March 1998); When Work Pays Better Than Welfare: A Summary of the Self-Sufficiency Project's Implementation, Focus Group, and Initial 18-Month Impact Reports (March 1996)* |

### MINNESOTA'S FAMILY INVESTMENT PROGRAM (MFIP)

| | |
|---|---|
| **Evaluator** | Manpower Demonstration Research Corporation (MDRC) |
| **Research duration** | January 1993 – December 1999 (Interim findings available) |
| **Sites studied** | 8 Minnesota counties |
| **Primary financial incentives** | Larger base grant, earnings disregard |
| **Forthcoming publications** | *Final Report (Fall 1999); Child Outcomes Report (Fall 1999)* |
| **Publications** | *Making Welfare Work and Work Pay: Implementation and 18-Month Impacts of MFIP (October 1997)* |

### NEW YORK CHILD ASSISTANCE PROGRAM (NY CAP)

| | |
|---|---|
| **Evaluator** | Abt Associates, Inc. |
| **Research duration** | April 1989 – December 1996 (Final findings available) |
| **Sites studied** | 3 New York counties |
| **Primary financial incentives** | Child support incentives, lower benefit reduction rate |
| **Forthcoming publications** | *Final Report (Fall 1999); Child Outcomes Report (Fall 1999)* |
| **Publications** | *Five-Year Impacts, Costs, and Benefits (December 1996); Selected Analyses of Families' Experiences with CAP (December 1996)* |

* The evaluation of Milwaukee's New Hope Project is not described here, but is in the Research Forum database. Financial incentives in this project include monthly earnings supplements and state and federal EITCs incentives. Interim impact findings should be available from MDRC next year.

earned income is disregarded in determining welfare payments. Most long-term welfare recipients are also mandated to participate in either full-time employment (30 hours/week) or training. The MFIP evaluation studied new applicants and long-term recipients as separate treatment groups, and thus can describe differential impacts for each set of program rules.

Interim findings from MFIP indicate that financial incentives, when combined with mandatory employment services, can produce substantial improvements in employment, earnings, and poverty rates. After 18 months, the program's primary impact on new applicants was to increase welfare payments among those who were working, which assisted some families in escaping poverty. By the end of the follow-up period, there was no significant effect on employment for these individuals. However, long-term recipients living in urban areas experienced considerable increases in their employment rates (40 percent greater than the control group) and total family incomes (13 percent greater), while welfare payments increased modestly (8 percent). A substantial number of these families—16 percent—had incomes sufficient to move them above the poverty line.

Findings to date also suggest that the employment and training mandate improves responses to the financial incentives considerably. With the mandate, program staff found more opportunities to describe to recipients the gains available through the financial incentives. Staff felt more capable of persuading program participants that work would pay, as well.

### Time Limits May Adversely Effect Incentives

The combination of financial incentives and time limits must be carefully constructed to avoid unintended but serious consequences for working welfare recipients. When a program uses federally funded earnings disregards or supplements and time spent working also counts against TANF time limits, employed recipients may

prematurely use up valuable months. While most state programs with financial incentives have not addressed this issue, Illinois' program is an exception. Its earnings disregard is funded with state money and designed to avoid this time limit effect.

None of the three programs described in this article included time limits at the time of the evaluation. New York is continuing CAP voluntarily by county, without adding time limits. However, Minnesota has recently passed legislation to operate a modified, statewide version of MFIP in which recipients have a five-year time limit on federally-funded cash welfare. Evaluation findings in states such as Connecticut, Florida, and North Dakota will likely highlight the implications of programs combining incentives and time limits.

Questions about each project remain unanswered. In Canada, for example, what happens to welfare recipients' income and poverty rates when these recipients reach the three-year limit on receiving supplements? Do participants who qualify for MFIP's financial incentives use up time against the TANF time limit sooner? In NY CAP, the requirement for child support orders increased the number of orders but restricted participation and, thus, limited gains in earnings and reductions in welfare payments. Was this requirement necessary?

It is much too early to make conclusive statements about the full impacts of two of the three programs described here. Nonetheless, findings to date point to important ways that financial incentives can reduce poverty and improve incomes. Research results such as these offer valuable, reliable information which should inform both federal and local decisions about welfare programs, most notably the re-authorization of PRWORA in 2002.


## Research Forum on Children, Families, and the New Federalism

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CORRECTION: On p. 2 of the May issue of *the forum*, the Minority Female Single Parent Demonstration was incorrectly attributed to MDRC. The correct evaluator for this project is Mathematica Policy Research, Inc.

View summaries of 34 research projects examining financial incentives at

**www.researchforum.org**


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RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# Teen Parent Program Evaluations Yield No Simple Answers

*by Ellen C. Berrey and Mary Clare Lennon*

*This issue of **the forum** emanates from a November 1997 conference which synthesized the findings of three teen parent program evaluations. The conference was co-sponsored by the Research Forum and the National Center for Children in Poverty, along with the Joint Center for Poverty Research, Manpower Demonstration Research Corporation, and Mathematica Policy Research, Inc. The conference proceedings, to be published in 1999, include a new chapter authored by Mary Clare Lennon, J. Lawrence Aber, and Barbara B. Blum. This article draws from both the chapter and the Research Forum's database (www.researchforum.org).*

Since the late 1950s, birth rates for teen women in the U.S. have declined by 41 percent, mirroring national trends.[1] Teenage mothers are also a relatively small proportion of the Temporary Assistance to Needy Families (TANF) caseload—201,000 out of 11.2 million recipients in 1997.[2] Nevertheless, when teenage girls have children, they are more likely to drop out of school and receive welfare benefits. Although most people use welfare for only short-term support, teen mothers tend to receive assistance for longer periods of time. Additionally, the proportion of births to unmarried teen mothers, who are among the poorest welfare recipients, has increased from 14 percent of all teen births in 1957 to 78 percent in 1995.[3]

Teenage mothers face numerous challenges, such as poverty and domestic violence, which significantly affect their ability to find employment and leave welfare.[4] Their children are at greater risk for low birthweight, low cognitive scores, and school failure, in addition to having a greater chance of becoming teenage parents themselves.[5]

Findings from experimental evaluations of three programs—New Chance Demonstration; Ohio's Learning, Earning, and Parenting (LEAP) Program; and Teenage Parent Demonstration (TPD)—illustrate some of the barriers to improving life prospects for teen mothers and their children. The programs focused primarily on disadvantaged teenage mothers in the previous welfare program, Aid to Families with Dependent Children (AFDC), but each had contrasting goals, target populations, and program components and interventions which influenced the observed outcomes (see chart on p. 3).

Overall, the long-term impacts of each program were minimal or non-existent. For example, each of the three experiments obtained early gains in employment and educational outcomes, but these gains waned once the programs ended. Because each intervention was limited by implementation problems, the impacts may not thoroughly reflect their potential efficacy. Despite these results, researchers identified important findings for a variety of outcomes. This article describes some of the key findings and their implications for teen parent programs.

## Benefits of the GED Questioned

LEAP, New Chance, and TPD had varying, but generally poor, educational outcomes. All three improved school attendance, although none resulted in higher rates of high school graduation. While New Chance significantly increased receipt of a Graduate Equivalency Diploma (GED), most teens who obtained GEDs did not have better employment rates or greater earnings as a result. Participants in New Chance and TPD who received a GED also did not increase their reading scores. In fact, the New Chance experimental group was significantly less likely than the control group to receive a high school degree or college credits.

These results and recent research suggest that support for high school equivalency training may be misplaced. Whether employers discriminate against holders of the

### Note from the Director–Barbara B. Blum

For more than three decades, steady increases in pregnancy rates for unmarried teens were the subject of profound concern among policymakers and practitioners. Findings described in this publication document how resistant to change the problems created by early parenting can be. Given these results, maintaining and accelerating current decreases in teen pregnancy rates become even more important.

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GED or GED training does not improve outcomes, it appears to be an inadequate substitute for high school completion. However, the GED increasingly substitutes for high school graduation.[6] Careful consideration also must be given to the value of high school completion as a final educational goal. The real wages of female high school graduates were stagnant between 1980 and 1990 and are now declining.[7] Because better paying jobs require greater skill levels than are obtained in most high schools, teen parent programs should consider providing incentives to encourage post-secondary education, as well.

## Focus on Mothers' Mental Health, Education

The three experiments found subgroup differences that provide important clues about how programs can better serve certain groups of teenage mothers.

- ***Depression.*** High rates of depression can substantially affect teen mothers' ability to participate and progress in a program. Both New Chance and TPD found overall high rates of depressive symptomatology. For example, more than half of all women in New Chance had high levels of depression according to the Center for Epidemiologic Studies Depression (CES-D) Scale.

  Maternal depression has serious implications for parenting and child outcomes. New Chance mothers with high levels of depressive symptoms reported greater parental stress, and more behavior problems and fewer positive behaviors in their children. In contrast, researchers found positive effects on the child's home environment among program mothers with low levels of these symptoms. Other studies provide substantiating evidence. One 10-year study found that children of depressed parents are three times more likely to develop major depression themselves and five times as likely to develop panic disorder and alcohol dependence.[8] These findings point to the importance of programs that incorporate initial screenings and appropriate treatments for mental health status.

- ***School enrollment.*** Participants' school enrollment when they entered the program was another important contributor to program success. In LEAP, for instance, adolescents already in school or in a GED program were more likely to obtain a GED and, in Cleveland, more likely to graduate from high school. These teens also spent more time in employment and tended to earn more, especially in the first two years of the program. Comparable results were found in New Chance.

  In light of these findings, teen parent programs should be designed to include initial assessments of educational skills and to address diversity in education and skill attainment. Students who dropped out of school and those with poor reading skills may require intensive remediation prior to school (re)enrollment.

These demonstrations provide evidence that depressed, extremely educationally disadvantaged, and out-of-school teen parents do not respond positively to the current "one-size-fits-all" program strategies. Yet completely individualized programs present numerous administrative and implementation difficulties. A middle ground approach would be to identify a small number of the most important risk factors and devise program variations to address the unique challenges faced by the highest risk subgroups of teen parents. New subgroup-targeted interventions should be evaluated for both their effectiveness and cost-benefits.

## Findings on Child Outcomes Troubling

While LEAP was not designed to have a direct impact on children, New Chance and, to a lesser extent, TPD were. New Chance offered a broad range of comprehensive services for parents and children, while TPD provided services to parents in hopes that they would have indirect, "trickle-down" effects on their young children. Despite the programs' intentions, New Chance and the Newark site of TPD appeared to have negative effects on child well-being, although the magnitude of the effects was small. Researchers offer one possible explanation: activities that remove mothers from home when their children are very young may be detrimental to the children.

Of more pressing concern, though, is the overall picture of poor child outcomes. Children of experimental and control group members in both New Chance and TPD had poor child outcomes, scoring low on many indicators of development such as school readiness. Children in low-income working families have comparable outcomes.

The results of the three evaluations, coupled with the recently released results from Abt Associates, Inc.'s Comprehensive Child Development Program, raise concerns that adult-focused and comprehensive programs are either wrong in theory or too difficult to implement in practice to have positive impacts on young parents and their young children. Intensive—rather than comprehensive—two-generation interventions may be a better alternative. High quality center-based care and nurse home visiting programs, for example, are designed to affect children directly and have shown impressive impacts on child cognitive and emotional development and maternal educational and employment outcomes.[9] Further research on targeted two-generation programs should be pursued.

## Delaying Motherhood is Best

While it is possible to identify interventions to assist teen mothers, a strategy to delay teen childbearing might have better overall outcomes. Such a strategy would involve many of the same elements as those aimed at teen parents—early assessments, education and training, and supportive services—delivered in the context of a long-term relationship that assists both parent and child. It must

## Database Research Projects with Findings on Teen Parent Programs

### NEW CHANCE DEMONSTRATION

| | |
|---|---|
| **Evaluator** | Manpower Demonstration Research Corporation (MDRC) |
| **Research duration** | August 1989 – July 1997 |
| **Sites studied** | 16 sites in California, Colorado, Florida, Illinois, Kentucky, Michigan, Minnesota, New York, Oregon, and Pennsylvania |
| **Populations studied** | Voluntary "two-generation" program for young women ages 16–22 who had their first child as a teen and had dropped out of school or had a reading level below 9th grade |
| **Program goals** | Increase participants' long-term self-sufficiency; postpone additional child bearing; improve the well-being of the participants and their children |
| **Primary program components** | Comprehensive educational, employment, and support services, including free child care |
| **Recent publications** | *Promises to Keep: Assessing Affective and Behavioral Qualities of Mother-Child Relationships in the New Chance Observational Study* (June 1998); *Final Report* (July 1997) |

### OHIO'S LEARNING, EARNING, AND PARENTING (LEAP) PROGRAM

| | |
|---|---|
| **Evaluator** | Manpower Demonstration Research Corporation (MDRC) |
| **Research duration** | July 1987 – June 1997 |
| **Sites studied** | 12 Ohio counties |
| **Populations studied** | Mandatory program for pregnant or parenting teens who received AFDC and lacked a high school diploma or GED |
| **Program goals** | Increase the proportion of teens who graduate from high school or obtain a GED, find jobs, and ultimately achieve self-sufficiency |
| **Primary program components** | Required school attendance; financial incentives and sanctions to encourage school attendance (e.g. $62 increase or decrease in monthly benefits); case management; support services |
| **Recent publications** | *Final Report* (August 1997) |

### TEENAGE PARENT DEMONSTRATION (TPD)

| | |
|---|---|
| **Evaluator** | Mathematica Policy Research, Inc. |
| **Research duration** | October 1986 – February 1998 |
| **Sites Studied** | Chicago, Illinois; Camden and Newark, New Jersey |
| **Populations studied** | Mandatory program for pregnant or parenting teens who received AFDC and were in school, had a diploma or GED, or had dropped out of school |
| **Program goal** | Prevent teenage pregnancies; improve participants' self-sufficiency and life chances |
| **Primary program components** | Required participation in either education, job training, or employment; financial sanctions for non-participation ($160 or $166 reduction in monthly benefits); case management |
| **Recent publications** | *Moving Into Adulthood: Were the Impacts of Mandatory Programs for Welfare-Dependent Teenage Parents Sustained After the Programs Ended?* (February 1998) |

account for many teens' perceptions that early child-bearing will improve their lives.[10] Any understanding of teen parenting also needs to incorporate males, particularly their economic and educational status.

Programs targeting middle school children, such as the Teen Outreach Program, can be effective in preventing both school dropout and teen pregnancy.[11] Results from Mathematica's evaluation of the abstinence education programs funded through the 1996 welfare law should produce initial results in August 2000, although research to date has found that abstinence programs do not delay the onset of sexual intercourse or reduce other measures of sexual activity.[12]

The difficulty of reducing teenage child bearing should not be underestimated. Even if these births could be prevented, poor young women still face multiple disadvantages that predate sexual activity or child birth, including poverty, low cognitive skills, and mental health problems. Nevertheless, the findings from the New Chance, LEAP, and TPD evaluations point to interventions that work for particular subgroups, and they should foster a renewed commitment to developing initiatives for the most vulnerable teenage parents and their children.

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RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# Mapping Welfare Research—1999 and Beyond

*by Ellen C. Berrey*

Many large-scale, ongoing welfare research projects will release interim or final reports in 1999. In addition, the federal government is funding studies about different populations and programs that, in general, have not been the subject of welfare research. This article describes:

- Recent findings from some of the large-scale welfare waiver experiments and major national research efforts;
- Relatively new federally-funded research projects; and
- The evaluations that expect to release final reports in 1999.

This research is contributing to an extensive body of knowledge about the effects of the welfare waiver programs initiated in the early 1990s, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and related social policies.

The Research Forum is currently keeping track of these and other research projects. Of the 43 large-scale research projects in the Research Forum's on-line database, 27 have impact studies (20 of which are controlled experiments). Also included are implementation studies (some of which relate to the impact research), child outcomes studies embedded in larger impact studies, and policy analyses. Many smaller projects are also underway. Summaries of the 43 large-scale projects and 61 small-scale projects, names of individuals to contact for additional project information, and existing and forthcoming publications are all accessible at the Forum's web site: www.researchforum.org.

## Note from the Director–Barbara B. Blum

Research initiatives have proliferated during the past decade, as changes in welfare programs created opportunities to measure effects of new income security strategies. Findings from these studies are now beginning to emerge and will provide, over the next several years, highly relevant and much needed information for policymakers. Ironically, the findings are already suggesting the next generation of questions that research should address.

Since October 1998, interim reports from seven evaluations have been released. Findings from these evaluations, available on the Forum's web site, provide valuable insights into the implementation and early impacts of welfare reform. For example:

- Eighteen-month findings from Social Research and Demonstration Corporation's (SRDC) evaluation of the ***Canada Self-Sufficiency Project*** demonstrate that financial incentives, like wage subsidies, can increase employment, earnings, and family income.
- In January 1999, Abt Associates, Inc. released interim impact analyses of the financial penalties in ***Delaware's A Better Chance*** program. Of the 16,602 families enrolled by June 1998, 43 percent had been sanctioned. Clients often had difficulty understanding and complying with the rules. These and other factors, rather than clients' motivation to work, were strongly associated with sanction receipt.
- Manpower Demonstration Research Corporation (MDRC) is now evaluating the ***Parents' Fair Share*** program, which targets non-custodial parents (primarily fathers) of children receiving welfare. Interim impact findings show no increases in employment and earnings, although child support payments from some parents had increased. The report documents the importance of distinguishing between fathers who are unwilling to pay child support and those who are unable to pay.

Two major national research efforts have recently released reports. One paints a picture of life for low-income families; the other describes the implementation of welfare and social programs designed to serve them. In January 1999, the ***Assessing the New Federalism*** project of The Urban Institute released its first report using the National Survey of America's Families (NSAF), a data set of over 44,000 households that oversamples poor families. The report, *Snapshots of 13 States*, describes how children in low-income households experience greater hardships with regard to health care, parental employment, social engagement, and child development in comparison to those in households with higher incomes.

PB99-103964

## States Studied in Federally-Funded Research Projects

| | Child Outcomes | Child Indicators[1] | Welfare Leavers | Welfare-to-Work[2] | Tribal Welfare-to-Work[2] | Rural Welfare-to-Work | Employment Retention[3] | Immigrants | Food Stamps Leavers | Transportation | Public Housing and Welfare Leavers |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ALABAMA | | | | | | | | | | | |
| ALASKA | | ★ | | | | | | | | | |
| ARIZONA | | | ★ | | | | | ★ | | | |
| ARKANSAS | | | | | | | | | | | |
| CALIFORNIA | | ★ | ★ | | | | ★ | ★ | | | ★ |
| COLORADO | | | | | | | | | ★ | | |
| CONNECTICUT | ★ | | | | | | | | | | |
| DELAWARE | | ★ | | | | | | | | | |
| DISTRICT OF COLUMBIA | | | ★ | | | | | | | | |
| FLORIDA | ★ | ★ | ★ | | | | | | | | |
| GEORGIA | | ★ | ★ | | | | | | | | |
| HAWAII | | ★ | | | | | | | | | |
| IDAHO | | | | | | | | | | | |
| ILLINOIS | | | ★ | | | ★ | ★ | | ★ | ★ | |
| INDIANA | ★ | | | | | | | | | | |
| IOWA | ★ | | | | | ★ | | | ★ | | |
| KANSAS | | | | | | | | | | | |
| KENTUCKY | | | | | | | | | | | |
| LOUISIANA | | | | | | ★ | | | | | |
| MAINE | | ★ | | | | | | | | | |
| MARYLAND | | ★ | | | | ★ | ★ | | | ★ | |
| MASSACHUSETTS | | | ★ | | | | | | | | ★ |
| MICHIGAN | | | | | | | | | | | |
| MINNESOTA | ★ | ★ | | | | ★ | | | | | |
| MISSISSIPPI | | | | | | ★ | | | | | |
| MISSOURI | | | ★ | | | ★ | | | | ★ | |
| MONTANA | | | | | | | | | | | |
| NEBRASKA | | | | | | | | | | | |
| NEVADA | | | | | | | | | | | |
| NEW HAMPSHIRE | | | | | | | | | | | |
| NEW JERSEY | | | | | | | ★ | | | | |
| NEW MEXICO | | | | | | | | | | | |
| NEW YORK | | ★ | ★ | | | ★ | | ★ | | | |
| NORTH CAROLINA | | | | | | | ★ | | | | |
| NORTH DAKOTA | | | | | | | | | | | |
| OHIO | | | ★ | | | | ★ | | | | |
| OKLAHOMA | | | | | | | | | | | |
| OREGON | | | | | | | | | | | |
| PENNSYLVANIA | | | | | | | | | | | |
| RHODE ISLAND | | ★ | | | | | ★ | | | | |
| SOUTH CAROLINA | | | ★ | | | | ★ | | ★ | | |
| SOUTH DAKOTA | | | | | | | | | | | |
| TENNESSEE | | | | | | | ★ | | | | |
| TEXAS | | | | | | | ★ | | | | |
| UTAH | | ★ | | | | | | | | | |
| VERMONT | | ★ | | | | ★ | | | | | |
| VIRGINIA | | | | | | | ★ | | | | |
| WASHINGTON | | | ★ | | | ★ | ★ | | | | |
| WEST VIRGINIA | | ★ | | | | | | | | | |
| WISCONSIN | | | ★ | | | | ★ | | | ★ | |
| WYOMING | | | | | | | | | | | |
| **Total Number of Projects** | 5 | 14 | 14 | TBD | 8–10 | 10 | 13 | 2 | 4 | 5 | 3 |

★ One or more research projects examining one or more sites in that state.

[1] States receiving technical assistance funding.

[2] States included in research project to be determined (TBD).

[3] States receiving planning grants. States included in research evaluation to be determined.

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The Nelson A. Rockefeller Institute of Government is currently studying the implementation of changes in national welfare and related policies in 20 states. Researchers are also reviewing ground-level operations of welfare programs in 12 local sites. *Implementing the Personal Responsibility Act of 1996: A First Look*, published in early February 1999, discusses the influence of political and economic signals emanating from policy changes, the significant transformations within welfare bureaucracies, and the new configurations of responsibility and power over welfare programs.

Interestingly, the distribution of active research projects seems to correlate with Temporary Aid for Needy Families (TANF) caseloads. Of the 103 projects in the Forum database, 29 include California as a study site. Illinois, Massachusetts, Michigan, New York, and Ohio also have a high volume of research activity. Fewer research projects are being conducted in states that are smaller or have fewer TANF recipients. For example, there are only seven welfare reform studies in Alabama, Idaho, and New Hampshire.

## Federally-Sponsored Research Spotlights Specific Groups

Several federal agencies have recently launched research projects to measure the effects of welfare reform on different populations. The Administration for Children and Families (ACF) and the Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services (DHHS), are responsible for coordinating the implementation of PRWORA. These agencies have initiated a series of studies that are clustered around specific topics relevant to welfare reform. To facilitate comparisons of findings across sites, the projects employ similar research questions and data collection methods. The U.S. Department of Agriculture (USDA), Department of Labor (DOL), Department of Housing and Urban Development (HUD), and other federal agencies are also engaged in research activities. Funding for many of the projects is drawn from the $5 million provided by Congress in 1998 to study welfare reform. Additional resources from states, localities, and private foundations are supporting these studies, as well. The accompanying chart lists the federally-funded sites and studies. Highlights of the research are described below.

### *Child Outcomes and Indicators*

Children are a majority of the TANF caseload, and current program changes will affect children both directly, through provisions like immunization requirements, and indirectly, through parental provisions like employment requirements. While some welfare evaluations include child outcome measures, most generally focus on adult outcomes. Child outcome data, when collected, often do not provide in-depth, comparable information. In order to understand how welfare changes are influencing children, appropriate and consistent measures of child well-being and development need to be collected at the state level.

Currently, ACF and ASPE are sponsoring ***The Project on State-Level Child Outcomes,*** enabling five states to augment their welfare waiver evaluations with comparable child outcome measures. The evaluations are being conducted by MDRC in Connecticut, Florida, and Minnesota, by Abt in Indiana, and by Mathematica Policy Research, Inc. in Iowa. The first of the final reports on child outcomes, from the Minnesota waiver experiment, is scheduled for release in January 2000. Final reports from the four other projects are expected in February 2000 (FL), April 2000 (IO), December 2000 (IN), and September 2001 (CT). ACF and ASPE are also working with these and other states to identify a core set of child outcome measures and to incorporate these measures into their data collection systems. Child Trends is leading this effort, which includes researchers who participate in the National Institute of Child Health and Human Development's Research Network on Family and Child Well-Being.

*ACF contact: Alan Yaffe (202) 401-4537, ayaffe@acf.dhhs.gov*

*ASPE contact: Martha Moorehouse (202) 690-6939, mmooreho@osaspe.dhhs.gov (e-mail preferred)*

*Child Trends contacts: Kristin Moore, Martha Zaslow, Kathryn Tout 202-362-5580, ktout@childtrends.org*

To advance state initiatives around child indicators, ASPE, along with ACF, has awarded grants to 14 states. This project aims to help states develop child health and well-being indicators and institutionalize the use of these data in state and local policy activities. The Chapin Hall Center for Children at the University of Chicago is organizing technical assistance and coordinating collaboration between states, researchers, policy experts, and federal staff. Each state will release their own project reports.

*Project summaries and state contacts web site: aspe.hhs.gov/hsp/cyp/cindicators.htm*

*ASPE contacts: Jody McCoy (202) 690-7477, childind@osaspe.dhhs.gov; Martha Moorehouse (202) 690-6939, mmooreho@osaspe.dhhs.gov (e-mail preferred)*

*Chapin Hall contact: Mairead Reidy (773) 753-2596, REIDY-MAIREAD@chc-smtp.spc.uchicago.edu*

### *Welfare "Leavers"*

As states begin to implement time limits and diversion programs, questions about what happens to families who leave or are diverted from TANF have become particularly salient. Until recently, few research projects have studied "leavers" from welfare programs over time. In September 1998, ASPE awarded approximately $2.9 million to 13 grantees (ten states and three large counties or consortia of counties) to examine outcomes for welfare leavers. This amount constitutes the major portion of the money

authorized by Congress for welfare research. ASPE and ACF are monitoring the grantees' activities.

The definition of a "leaver" varies across projects. The studies all focus on families that no longer receive TANF benefits; three also look at parents whose children remain on welfare. The cause for leaving may be an increase in earnings, a sanction, the end of a time limit, or a reason not recorded or directly cited by the recipient. Researchers may also study those who: (1) are diverted through a formal diversion program, (2) are eligible but discouraged from applying because of program rules and requirements, (3) apply but are financially ineligible or fail to complete the application process, (4) appear to be eligible but are not enrolled, and/or (5) withdraw voluntarily. Each project is following at least two cohorts, although the cohorts may be from different time periods.

Thus far, researchers have reached consensus on at least one major issue: the individual or family is considered a leaver if they have spent at least two months off cash assistance. Consistent, similar definitions need to be developed and used for each topic, group, or outcome in order to produce information that is comparable across states.

The evaluators are using linked administrative data, survey data, or a combination, although there are differences in survey designs and data sets. The projects share some research questions. All of the grantees are exploring income supports, health insurance, child care, reasons for case closures, and barriers to self-sufficiency such as domestic violence, substance abuse, depression, and lack of transportation. Many will also delve into topics such as employment and earnings, child well-being, attitudes towards TANF and work, and changes in household composition since leaving TANF. Several of the studies look at the use of Food Stamps, Medicaid, General Assistance, Supplemental Security Income, and other public assistance programs. Interim reports from the states are anticipated in spring 1999. Final reports are expected between December 1999 and December 2001.

*ASPE contact (until August 1999): Matt Lyon (202) 401-3953, mlyon@osaspe.dhhs.gov*

*Project summaries web site: aspe.os.dhhs.gov/hsp/isp/98grants.htm*

In addition to DHHS, numerous organizations are compiling information about leaver studies. The Research Forum's database includes summaries of research on leavers, including many of the DHHS-funded studies. In April 1999, the U.S. Government Accounting Office (GAO) will produce a report reviewing various welfare leavers studies. In early 2000, GAO also plans to publish a report on welfare sanctions that will address some related issues, such as diversion( see www.gao.gov). The National Conference of State Legislators and the National Governors' Association are compiling and promoting research on the DHHS-funded and other state studies examining welfare leavers (see www.ncsl.org and www.nga.org).

### *Welfare-to-Work Programs*

PRWORA, reflecting a shift in philosophy from education and training to "work first," stipulates that only limited periods of time in certain activities can count towards federal requirements for work participation. For instance, job searches are restricted to six weeks per individual, although 12 weeks are allowed in states with high unemployment. The law places even greater limits on basic and post-secondary education. If states are to fulfill their TANF obligations and assist recipients in moving into the labor force, they will need to develop highly effective job training and placement strategies.

In the Balanced Budget Act of 1997 (BBA), Congress authorized $3 billion in welfare-to-work (WtW) grants to help the hardest-to-serve TANF recipients and certain non-custodial parents of children on TANF get and keep jobs. At least 70 percent of the funds must be spent on the "hardest to employ" individuals—primarily long-term TANF recipients with substance abuse problems, low levels of education and basic skills, and/or poor work histories.

The law also stipulated an evaluation of WtW programs. DHHS, with DOL and HUD, has designed an evaluation that includes a descriptive assessment of WtW grantees, as well as impact, cost-effectiveness, and implementation studies. DHHS is now in the process of identifying in-depth study sites. Mathematica, the evaluator, and The Urban Institute and Support Services International, Inc. (SSI), the subcontractors, will complete an early implementation report to Congress in the spring of 1999. A report to Congress on the impacts of WtW services is due January 2001.

*ASPE project contact: Alana Landey (202) 401-6636, alandey@osaspe.DHHS.gov*

*Mathematica contact: Alan M. Hershey (609) 275-2384, ahershey@mathematica-mpr.com*

*Evaluation description web site: wtw.doleta.gov/wtweval/evalsum.htm*

### *Tribal Welfare-to-Work Programs*

The PRWORA and BBA also made unique provisions so that American Indian (AI) and Alaska Native (AN) tribal organizations could develop and operate WtW programs. Five new programs now provide tribal governments with resources and flexibility to promote employment and establish time limits and work requirements for tribal nations.

As part of its congressionally mandated WtW evaluation, DHHS is also conducting a distinct study of tribal WtW programs. SSI, a Native American-owned research firm that has extensive experience with reservation evaluations, is leading this study. Mathematica and The Urban Institute will also be engaged. An advisory group of about ten representatives who are from AI/AN groups and have relevant expertise will provide evaluation assistance. The researchers will focus on the program models developed, the activities and services emphasized,

and the approaches used to integrate services. SSI is currently choosing 8–10 research sites. Findings will be included in the January 2001 report to Congress.

*ASPE project contact: Alana Landey (202) 401-6636, alandey@osaspe.dhhs.gov*

*SSI contact: Walter Hillabrant (301) 587-9000, access@iamdigex.net*

*Mathematica contact: Alan M. Hershey (609) 275-2384, ahershey@mathematica-mpr.com*

*Evaluation description web site: wtw.doleta.gov/wtweval/tribevalsum.htm*

### *Rural Welfare-to-Work*

Families who receive welfare benefits and live in rural areas represent approximately 20 percent of all recipients. States face unique challenges to creating jobs that are accessible to this population. Rural economies have a limited capacity to absorb large numbers of individuals into the work force. Many of these recipients have low education levels and lack access to transportation and affordable, safe child care. To support information sharing and research about effective rural WtW approaches, the Office of Planning, Research, and Evaluation (OPRE), ACF, DHHS, is providing the federal dollars for ten 17-month planning grants. The research topics range from rural transportation in Iowa to the barriers to self-sufficiency—both actual and perceived—faced by TANF recipients in Missouri. The grantees will produce semi-annual progress reports and a final report by June 2000.

*OPRE contact: James Dolson (202) 260-6165, jdolson@acf.dhhs.gov (e-mail preferred)*

### *Employment Retention*

Welfare recipients who find employment usually work in service sector positions that are entry level and either temporary or part-time. These low-wage jobs rarely include benefits or opportunities for career advancement. In order to leave welfare, move out of poverty, and progress in the labor market, these individuals will need assistance in sustaining and improving the quality of their jobs.

ACF has allocated resources for a multi-site, random assignment evaluation of the most promising employment retention and advancement strategies. Thirteen states have received planning grants from the agency to refine their programs and prepare for possible participation in the evaluation. In late 1999, all states will have the opportunity to submit proposals for participation. The Lewin Group, with its subcontractor The Johns Hopkins University, is assisting states in these activities. ACF plans to choose the evaluator in 1999, and by spring 2000, select approximately ten states for the five-year study. Profiles of the state programs and early implementation findings are expected by the end of 2000, and interim impact findings in 2002.

**We must be concerned about two populations: those who are entering the work force and those for whom movement into employment is more difficult.**

**Existing initiatives are likely to require supplemental resources to study these sub-populations.**

*ACF contacts: Nancye Campbell (202) 401-5760, ncampbell@acf.dhhs.gov; Mark Fucello, mfucello@acf.dhhs.gov; Ken Maniha (202) 401-5372, jmaniha@acf.dhhs.gov*

*Lewin Group contact: Michael Fishman (703) 269-5655, mfishman@lewin.com*

*Project description web site: www.lewin.com/*

### *Immigrants*

Since 1996, welfare and immigration legislation has changed legal and illegal immigrants' eligibility for federal programs, dramatically reducing their access to Medicaid, Supplemental Security Income (SSI), Food Stamps, and non-cash services. The potential impacts on child well-being are significant. Twenty percent of children under age 18 living in the United States—approximately 14 million children—are immigrants or have immigrant parents.

DHHS (ASPE, ACF, and the Health Care Financing Administration), the Immigration and Naturalization Service, and USDA (the Food and Nutrition Service, and the Economic Research Service) are funding a major study: ***Welfare Reform, the Economic and Health Status of Immigrants, and the Organizations that Serve Them.*** The Urban Institute, the grantee, is looking at immigrants' health, employment, economic hardship, and participation in government programs in New York and Los Angeles. The project also explores how cuts in food stamps and changes in immigration policies are affecting immigrants and the organizations and agencies that serve them. Researchers are currently conducting surveys and interviews with immigrants and community organizations and analyzing administrative and other relevant data sets.

On March 9, 1999, The Urban Institute released an interim analysis of immigrant outcomes, using data from the Census Bureau's Current Population Survey. The CPS findings basically replicate at a national level what was documented in an earlier study of Los Angeles County. For example, the researchers found that between 1994

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and 1997, use of public benefits among non-citizen households with children fell more sharply (35 percent) than use among citizen households with children (14 percent). Additional interim reports may be published before release of the final report, due October 2000.

*ASPE contact: David Nielsen (202) 401-6642, dnielsen@osaspe.dhhs.gov*

*Urban Institute contacts: Michael Fix, mfix@ui.urban.org; Leighton Ku, lku@ui.urban.org*

*Project description web site: www.urban.org/centers/ps_welfare.html*

### *Food Stamp Leavers*

The 1996 welfare law mandated changes in food nutrition programs, most notably a scaling back of the Food Stamp Program. In the past three years, participation in the Food Stamp Program has declined considerably—approximately 28% between December 1995 and December 1998. Four studies in Arizona, Illinois, Iowa, and South Carolina are currently examining the status of households and individuals that leave the Food Stamp Program. The South Carolina project expands upon a welfare leavers study. The projects all pay close attention to able-bodied adults ages 18-50 without dependents, who are now subject to time limits if they do not meet specific work requirements. Researchers are using administrative records and surveys to analyze employment, support from earnings and income, and support from public/private programs. Final reports will be released in Winter 2000 (AZ), Spring 2000 (IL), and Fall 2000 (IA and SC).

*Economic Research Service contact: Thomas Carlin (202) 694-5406, tcarlin@econ.ag.gov*

*Project description web site: www.econ.ag.gov/briefing/foodasst/*

### *Transportation*

Transportation to and from work is a primary obstacle for low-income workers. Two-thirds of new jobs are created in the suburbs, but three-fourths of welfare recipients live in either inner city or rural areas. Bridges to Work, a large-scale demonstration, supports organizations that are helping "ready to work" urban residents, including some TANF recipients, find and keep jobs in the suburbs. The program assists with transportation needs, as well as job placement and retention, in Baltimore, Chicago, Denver, Milwaukee, and St. Louis. Public/Private Ventures (P/PV), the contractor, is conducting evaluations in four of the cities to test if better access to suburban jobs can significantly improve outcomes for low-income workers and their urban neighborhoods. HUD's Office of Policy Development and Research (PD&R), with the U.S. Department of Transportation's Federal Transit Administration, is furnishing the federal funds. A descriptive report is expected in April 1999.

*HUD contact: James Hoben (202) 708-0574, james_e._hoben@hud.gov*

*P/PV: Joseph Tierney (215) 557-4453, jtierney@ppv.org*

*Project description web site: tap.epn.org/ppv/b_to_w.html*

### *Public Housing Assistance*

Welfare reform will affect not only TANF recipients, but also public housing residents, agencies, and policies. In late 1996, approximately one million families—nearly half of the families who received housing assistance—were also receiving some AFDC/TANF benefits.

The new 1999 Welfare-to-Work Voucher Program, created by the President and Congress, enables families to use vouchers to subsidize rent for apartments in areas with better job opportunities or transportation systems. In April 1999, public housing agencies, along with the agencies and local entities receiving DOL welfare-to-work grants (described above), will submit applications to participate in the voucher competition. HUD will monitor the program and develop formal evaluation plans.

*HUD contact: Kevin Neary (202) 708-3700, kevin_j._neary@hud.gov*

HUD's PD&R is supporting three "add-ons" to the DHHS-funded welfare leavers projects to explore questions related to public assisted housing. The grantees in Massachusetts, Los Angeles County, and the consortium of three Northern California counties (San Mateo, Santa Cruz, and Santa Clara) will compare the outcomes of families who leave welfare with families that are assisted and not assisted by HUD. Final reports will be published in late 2001, although dates vary for each project.

*Grantees, contacts, and project summaries web site: www.huduser.org/research/policy.html*

## Forthcoming Research Reports

In 1999, three random assignment evaluations will publish final reports. In April 1999, final findings are expected for Mathematica's evaluation of the Post-Employment Services Demonstration, which uses intensive case management to help newly employed welfare recipients retain their jobs. Interim impact findings show that most recipients found jobs with low pay, poor benefits, and little room for growth. Researchers identified supports, such as counseling and assistance obtaining transitional benefits, which can help clients deal with employment-related problems.

In May 1999, Abt plans to release the final report for the Preschool Immunization Project Evaluation, which requires AFDC recipients with preschool-age children to verify that their child's immunization status is up-to-date. Families that do not fulfill this requirement face a serious penalty—elimination of the child's AFDC benefits. Two-year interim findings revealed that children in the

treatment group had higher immunization rates, but, when parents did not meet the immunization prerequisite, program administrators rarely enforced the penalty.

A final report from Mathematica on Iowa's Family Investment Program (FIP) evaluation is due for November 1999. FIP is a waiver program that has altered AFDC and Food Stamp policies to emphasize employment and training. According to a December 1998 two-year impact report, FIP has increased employment rates for welfare recipients but has not reduced welfare receipt.

Additionally, an estimated 54 reports from 22 other large-scale research projects will be released in 1999. The Publications Calendar on the Research Forum's web site lists these reports, as well as those expected after 1999, by projected date of publication. (To confirm any exact date, please contact the relevant research organization.)

## Topics for Future Research

Progress is being made for many populations, but additional areas need further research. We must be concerned about two populations: those who are entering the work force and those for whom movement into employment is more difficult. In the latter group, TANF participants may be victims of domestic violence, suffering from severe depression, addicted to drugs, or mildly developmentally disabled. Existing initiatives, like the WtW and the leavers studies, are likely to require supplemental resources to study these sub-populations. New studies about these groups are clearly needed. More research about a subset of the leavers population—those who exit from TANF without finding jobs—is also essential. Finally, research is needed to explore how TANF recipients and leavers are connected to benefits like Medicaid, Food Stamps, and the Earned Income Tax Credit (EITC), or to service programs like child care, transportation, and housing.

## Publications on Children and Welfare Reform Available from NCCP

In 1996, the National Center for Children in Poverty (NCCP) and the Foundation for Child Development (FCD) created the Leadership Network on Children and Welfare Reform to identify, support, and advance welfare policies that protect and promote the healthy growth and development of children in the context of welfare reform. NCCP convened the Leadership Network for a series of meetings in 1996 and 1997 and developed an issue brief series and background publications to explore the impact of the PRWORA of 1996 on the well-being of poor young children and their families and to give policymakers and program directors information on how to protect vulnerable children within the context of welfare changes. In early 1997, the Research Forum was established to facilitate the development of rigorous, policy relevant research about the effects of the new federalism on poor and vulnerable populations. One year later, the Forum began publishing its quarterly newsletter, featuring analyses of large-scale welfare research projects and discussion of issues pertinent to the field of welfare research.

**ISSUE BRIEFS** ($5.00 each / 4 for $15.00)

Issue Brief 1: *How Welfare Reform Can Help or Hurt Children*
by Ann Collins and J. Lawrence Aber

Describes the research base for NCCP's framework to assess welfare changes from a children's perspective and points to lessons from current and welfare-to-work evaluations. (1997). 12 pp.

Issue Brief 2: *Anticipating the Effects of Federal and State Welfare Changes on Systems that Serve Children*
by Ann Collins

Focuses on processes to assess how federal and state welfare initiatives will have an impact on state and community policies and systems that serve children and families. (1997). 12 pp.

Issue Brief 3: *The New Welfare Law and Vulnerable Families: Implications for Child Welfare/Child Protection Systems*
by Jane Knitzer and Stanley Bernard

Examines the potential impact of P.L. 104-193 on vulnerable families already in or at risk of entering the child welfare/child protection system. (1997). 20 pp.

Issue Brief 4: *Responsible Fatherhood and Welfare: How States Can Use the New Law to Help Children*
by Stanley Bernard

Outlines provisions in the welfare law related to fatherhood and offers states strategies to encourage responsible parenting by custodial and noncustodial fathers. (1998). 24 pp.

Issue Brief 5: *Children and Welfare Reform: Child Care by Kith and Kin—Supporting Family, Friends, and Neighbors Caring for Children*
by Ann Collins and Barbara Carlson

Summarizes the research on kith and kin child care, examines traditional policies, describes eight innovative program strategies, and makes recommendations that states and local communities can use to reach out directly to these child care providers and the children for whom they care. (1998). 20 pp.

**RELATED PUBLICATIONS**

Early Childhood Poverty Research Brief 1: *Young Child Poverty in the States—Wide Variation and Significant Change*
by Neil Bennett and Jiali Li

Describes the considerable variation among the states' young child poverty rates and suggests that changes in three demographic factors—family structure, employment patterns, and educational attainment—account for almost one-third of the changes in state young child poverty rates over the last two decades. (July 1998). 16 pp. $5.00.

*Map and Track: State Initiatives for Young Children and Families, 1998 Edition*
by Jane Knitzer and Stephen Page

New edition continues to "map" state initiatives for young children and families (program development strategies, community mobilization and systemic change strategies, high-level leadership) and "track" them over time. Added for 1998 is information on whether states are implementing explicit strategies to link welfare reform with children's initiatives, additional state-by-state indicators of young child and family well-being, young-child-related state welfare provisions, and information on state tax credit programs and other income-promoting supports to low-income families. *Report.* (1998). 208 pp. $19.95. March 1996 *Map and Track* Report. 171 pp. $19.95. Special pricing: 1996 and 1998 *Map and Track* Editions $29.95; both reports and June 1997 *Map and Track (Fatherhood)* $39.95.

*Children and Welfare Reform: Highlights from Recent Research*
by Ann Collins, Stephanie Jones, and Heather Bloom

Summarizes studies that concern how children in low-income families may be affected by changes in welfare eligibility and processes. Research Highlights. (1996). 68 pp. $10.00.

*State Welfare Waiver Evaluations: Will They Increase Our Understanding of the Impact of Welfare Reform on Children?*
by Ann Collins and J. Lawrence Aber

Examines how well evaluations of 21 state welfare reform initiatives address the needs of children as well as their parents. Working Paper. (1996). 37 pp. $10.00.



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**NEWSLETTER ARTICLES FROM THE RESEARCH FORUM** [Free]

*Welfare Research Reveals Early Challenges of Time Limits*
by Ellen C. Berrey

Analyzes research evaluations' with findings on time limits, concluding that implementing time limits is difficult, benefits often end before time limits are reached, and research participants receiving welfare benefits usually know about program time limits. (*the forum*, January 1998), 4 pp.

*Evaluating Welfare Reform: What Do We Know? How Can We Learn More?*
by Ellen C. Berrey and Barbara B. Blum

Describes major findings from the past 15 years of welfare research, existing research gaps, and research tools in need of further development. This article draws from information in the Forum's March 19, 1998 testimony before the Subcommittee on Human Resources of the U.S. House of Representatives, Committee on Ways and Means. (*the forum*, May 1998), 4 pp.

*Financial Incentives Can Be Key to Moving Families Off Welfare and Raising Income, Research Reveals*
by Ellen C. Berrey

Summarizes findings on strategies to alleviate the growing disparity between levels of income for welfare families moving into the work force, as compared to the incomes of wealthy families. Successful outcomes are observed for: (1) working families that receive generous earnings supplements; (2) custodial parents who are supported by case managers as they try to establish court orders for child support; and (3) long-term recipients who have earnings disregards and other financial incentives to work but must participate in work or job training full-time. (*the forum*, September 1998), 4 pp.

*Teen Parent Program Evaluations Yield No Simple Answers*
by Ellen C. Berrey and Mary Clare Lennon

Synthesizes findings from three evaluations of programs for teen mothers and their children. Forum staff describe the questionable benefits of the GED, the need for programs to address mothers' mental health and educational levels, and troubling outcomes found for some children participating in two of the programs. This analysis is based on a chapter written for proceedings from a November 1998 conference that examined the same research. (*the forum*, December 1998), 4 pp.

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## Research Forum on Children, Families, and the New Federalism

The Research Forum, an initiative of the National Center for Children in Poverty, hosted at the Joseph L. Mailman School of Public Health of Columbia University, encourages collaborative research and informed policy on welfare reform and vulnerable populations. The Forum's ultimate goal is to identify and promote strategies that protect and enhance the well-being of poor children and their families.



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RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

## Note from the Director–Barbara B. Blum

### A FOCUS ON CHILDREN

Many social scientists, elected officials, administrators, and practitioners are concerned about the effects of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) on the well-being of disadvantaged children. For this issue of **the forum**, staff at Child Trends were invited to describe their organization's research focused on children and changes in welfare programs. Like the National Center for Children in Poverty (NCCP), Child Trends' work is devoted to examining the status and well-being of poor children in order to inform public policy. Child Trends prepared three articles for this issue of **the forum**:

- *Children in Fragile Families Face Multiple Risks Under Welfare Reform*
- *Working Poor Families with Children: A Statistical Profile*
- *Evaluating the Effects of State Welfare Policies on Children: The Project on State-Level Child Outcomes*

The authors include Carol Emig, Suzanne LeMenestrel, Kristin Moore, Kathryn Tout, Richard Wertheimer, and Martha Zaslow. NCCP and the Research Forum on Children, Families, and the New Federalism are grateful for their contributions.

# Children in Fragile Families Face Multiple Risks Under Welfare Reform

Do welfare-to-work programs affect outcomes for families beyond the targeted economic outcomes? If so, what outcomes do they affect and how? These have been key research questions for at least a decade as the nation has moved from the reforms of the Family Support Act, to AFDC waivers, to the current Temporary Assistance to Needy Families (TANF) program.

Social scientists at Child Trends have approached this question first by reviewing the research. For example, the child development literature suggests that welfare-to-work programs could have effects on multiple aspects of family functioning, both economic and non-economic. Studies of early welfare reform experiments confirmed this, documenting effects on maternal psychological well-being, parenting behaviors, and child care experiences. This assumption is being tested in the Project on State-Level Child Outcomes (described on page 4), which worked with a dozen states to identify and evaluate additional areas of family life that state officials expected to be affected by welfare policies. Independent of this effort, other interdisciplinary research projects are also investigating how families and children are faring under the new state welfare policies. (See the Research Forum's database containing descriptions of these studies, accessible at: http://www.researchforum.org.)

## How Welfare Reform Might Affect Children

At this stage in the study of welfare reform, it is apparent that initial findings and conclusions may well be altered by later and longer-term evaluation results. But the insights gained so far from basic research, existing evaluations, and intensive interactions with state officials already suggest several hypotheses for how specific provisions of the current welfare reform might affect children

### *Work Requirements*

Employment initiated in response to work requirements may have positive or negative implications for children depending on the degree to which a welfare recipient is "job-ready" and whether employment is associated with improvements in family income and maternal psychological well-being. A small set of research findings indicates that, even after accounting for family income and maternal education, *voluntary* maternal employment in low-income families is associated with neutral or modestly positive outcomes for children, perhaps due to associations between employment and improvements in maternal psychological well-being or to increases in family income.

continued on page 2

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**Welfare reform should not be viewed as a set of individual policies, each having isolated effects on different aspects of families' lives. Understanding how children fare in the context of welfare reform depends on examining the cumulative influence of multiple family and community factors.**

However, when examining *mandated* employment among welfare recipients, special consideration should be given to the barriers to work that they face (e.g., low educational attainment and limited work experience) and the characteristics of the jobs they are able to get (e.g., the availability of benefits and the types of tasks they are assigned). In one study, welfare recipients with multiple barriers to work had children who scored lower on cognitive and behavioral measures than children of other low-income mothers. Work requirements and economic sanctions for noncompliance may place children in these already disadvantaged families at further risk for developmental problems.

### *Time Limits*

Results from one study indicate that long-term welfare recipients (those who have received welfare for five or more years) reported more depressive symptoms and lower levels of personal control and social support than short-term recipients (receipt for less than two years). Recipients who had received welfare for two or more years were also less likely to have work experience and were more likely to believe that mothers of young children should not be employed. They provided less cognitive and emotional stimulation to their children, and their children had low scores on measures of receptive vocabulary and social maturity. If these long-term recipients resemble those recipients who are the least likely to meet work requirements and, thus, the most likely to reach the 60-month lifetime limit on receipt of federal welfare benefits, there is reason to be concerned about the already higher developmental risk of their children, particularly if the family receives economic sanctions.

### *Sanctions for Noncompliance*

Economic sanctions that reduce or eliminate families' welfare benefits are applied when welfare recipients do not comply with program requirements. Welfare recipients with poor mental, emotional, and/or physical health, as well as those who are chemically dependent, have poor social skills, or a variety of other problems, comprise a disproportionate percentage of sanctioned families. This group of "harder-to-serve" welfare recipients are more likely to have had prior contacts with child welfare agencies or protective services. Thus, there is reason to be particularly concerned about the children in these very disadvantaged families.

### *Child Care*

The choices states make about subsidy levels, reimbursement rates, and eligibility for child care assistance (in particular, whether low-income families who are not receiving welfare are eligible) will have important implications for the child care options available to low-income working parents. The availability of high-quality, flexible, reliable, and affordable child care settings is particularly important for children's positive developmental outcomes.

### *Other Important Policy Provisions*

Policies aimed at increasing paternity establishment and child support, as well as those directed at decreasing nonmarital and teenage childbearing, also have the potential to affect children, usually in a positive way.

## Policies Must Consider Already Fragile Families

Welfare reform should not be viewed as a set of individual policies, each having isolated effects on different aspects of families' lives. Rather, understanding how children fare in the context of welfare reform depends on examining the cumulative influence of multiple family and community factors. Some policies and services may promote positive outcomes, while some may place already disadvantaged families and children at greater risk for negative outcomes. Even if some low-income children experience little change in their lives as a result of welfare reform, if they remain poor, they may still be at risk for poor health, low academic achievement, poor socioemotional adjustment, and other negative outcomes associated with long-term poverty. Moreover, there are some indications that the families most likely to be denied benefits, face sanctions, or reach time limits have children who are already at particularly high developmental risk.

*A more detailed discussion of the implications of welfare reform for children can be found in Zaslow, M.; Tout, K.; Smith, S.; & Moore, K. (1998). Implications of the 1996 welfare legislation for children: A research perspective.* ***Social Policy Report*** *[Society for Research in Child Development], 12(3), pp. 1-35.*

# Working Poor Families with Children: A Statistical Profile

When families leave welfare, do they also leave poverty? Or do declining welfare caseloads translate to growth in the ranks of working poor families with children? Using data from the March 1997 Current Population Survey and the Survey of Income and Program Participation, Child Trends developed a statistical portrait of working poor families with children in 1996, the year welfare reform was implemented. It provides a baseline from which to track changes in the number and characteristics of working poor families with children as implementation of welfare reform proceeds.

## How Do We Define Working Poor Families with Children?

Definitions of *working* poor vary across studies. Using welfare reform's work requirements, Child Trends developed a work standard for families with children: families with at least one child under age 18 in the household, with incomes below the federal poverty threshold ($16,036 for a family of four in 1996), and with two parents together working at least 35 hours a week or a single parent working at least 20 hours a week.

## How Likely Is It for Children in Working Families to be Poor?

Among children living in families that met the work standard in 1996, only 9 percent were poor. In contrast, among children in families not meeting the work standard, 63 percent were poor. This substantial difference held for both married-couple and single-parent families.

## How Common Is It for Children in Poverty to Have Working Parents?

Although children living in a working family have a substantially lower likelihood of being poor, 5 million children lived in poor families that met the work standard in 1996.

- 52 percent of children in poor, married-couple families had parents who met the work standard.
- 30 percent of children in poor, single-mother families had a parent who met the work standard.

## How Are Working Poor Families Different from Poor Families Not Meeting the Work Standard?

Compared with children in poor families not meeting the work standard, children in working poor families are:

- more likely to live with both parents;
- more likely to have at least one parent who has completed high school;
- more likely to live in owner-occupied housing;
- more likely to live in a family that owns a car;
- more likely to be in child care paid for by parents; and
- less likely to be covered by health insurance.

## How Are Working Poor Families Different from Other, More Prosperous, Working Families?

While there are substantial differences between working poor families and poor families not meeting the work standard, there are also important differences between working poor families and other, more prosperous, working families.

- Virtually all children in more prosperous working families have at least one parent who has completed high school.
- Children in more prosperous working families are more likely to participate in paid child care.
- Children in more prosperous working families are twice as likely to live in owner-occupied housing.
- Car ownership rates and health insurance coverage rates are also higher among more prosperous working families.

## Summary

Having one or more working parents reduces the likelihood of childhood poverty, but it does not guarantee an escape from poverty. If welfare reform succeeds in moving more parents into the labor market, one consequence may be more working poor families with children.

We can expect the transition from welfare to working poor to be difficult (especially in a less robust economy), because poor parents not meeting the work standard are at a competitive disadvantage in the labor market relative to working poor parents. They are, for example, less likely to have completed high school and less likely to have a car for commuting to work.

Moving children from working poor families to a life above the poverty line may be even more difficult since working poor parents are at a similar competitive disadvantage in the labor market compared with other working parents. In short, if eradicating child poverty is the objective, welfare reform is only the first step in a long and challenging process.

***A longer discussion of working poor families with children is available from Child Trends' web site at www.childtrends.org/workingpoor.htm.***

# Evaluating the Effects of State Welfare Policies on Children: The Project on State-Level Child Outcomes

In the three years before passage of national welfare reform legislation in 1996, more than 40 states received waivers from the federal government to launch their own welfare reform experiments. The states were required to conduct an experimental evaluation of the impacts of their waiver programs on adult outcomes and behavior. In addition, a dozen states worked with the U.S. Department of Health and Human Services (DHHS), Child Trends, and other researchers to extend the evaluations to include *child* outcomes. This article briefly describes some of the results of that work.

## Pathways of Influence

To understand *how* welfare policies can affect child development, participants in the project on state-level child outcomes used the concept of *pathways* developed by Martha Zaslow, Kristin Moore, and colleagues at Child Trends. Pathways are the avenues through which children can be affected, intentionally or unintentionally, by welfare reform. One potential pathway, for example, is the increased turbulence or increased stability that occurs in a family's life when a parent begins a job. If parental employment results in a more stable home life with more predictable routines, the impact on children could be positive. Alternatively, if work makes a family's life more stressful and chaotic, the impact on children could be negative. A further possible child outcome is that the stress and turmoil associated with a parent starting a job may be temporary, yielding greater stability and other benefits to children once an initial adjustment is made.

## A Conceptual Framework

Participants from the states used the pathways to develop a *conceptual framework* that depicts their hypotheses regarding pathways through which state policies targeted to adults could potentially affect children's well-being. (See Figure 1.) It identifies first those pathway areas that the state participants viewed as the *direct targets* of welfare policies. These include:

- income;
- employment;
- family formation; and
- attitudes toward welfare and employment.

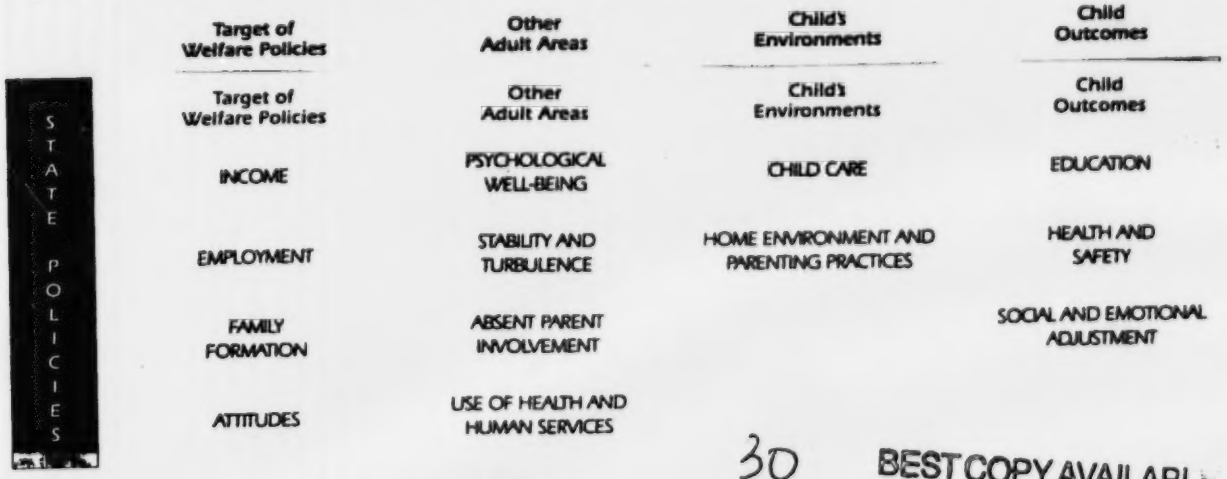
The model also highlights *other aspects of adult life* that are not directly targeted by state welfare policies but that could nevertheless be affected by these policies. These include:

- parents' psychological well-being (e.g., depression);
- stability and turbulence in a family's life;
- non-custodial parents' contact with their children;
- use of health and human services, such as Medicaid; and
- the consumption of goods and services.

The conceptual framework then identifies two important *aspects of the child's environment* that might be affected by welfare policies because of changes brought about in an adult's life. These include:

- child care, including the quality of care, extent of use, and consistency of use;

**Figure 1: How Welfare Policies Might Affect Children: A Conceptual Framework**



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- home environment and parenting practices, such as the routinization of family life, the amount of aggravation and stress that parents feel when interacting with their children, and domestic violence.

Finally, the conceptual framework identifies three general types of *child outcomes* that state participants anticipated might be affected by their welfare policies:

- educational, such as school performance and grades;
- social and emotional, including positive as well as negative behaviors; and
- health and safety, such as health status and accidents.

The framework was designed to be followed from left to right. It begins with those aspects of adult life that are directly targeted by state policies, followed by other aspects of adult life that might also be affected. These, in turn, are expected to affect children's experiences in their primary care environments, which then could affect child outcomes. Effects include both intended and unintended impacts. Both positive and negative outcomes for children are viewed as possible.

## Developing Common Core Constructs

Working together, participants in the Project on State-Level Child Outcomes used the conceptual framework to select the specific domains and constructs that would be measured similarly across states, thus providing a strong methodological basis from which results could be compared. The final common core of constructs appears in Figure 2.

## What Are the States Doing Now?

In 1997, five states (Connecticut, Florida, Indiana, Iowa, and Minnesota) were awarded grants from DHHS to add child outcomes surveys to their evaluations. The evaluations are in various stages of completion: the first child impact study report will be available in early 2000 (Minnesota), and the last will be available in the fall of 2001 (Indiana). Each state will produce an evaluation report.

Researchers and state officials are working closely to develop a common way of creating measures for these individual state reports. The possibility also exists for an integrative report that synthesizes findings on child outcomes from each of these reports.

## A Guide for All States

Child Trends has just released *Children and Welfare Reform: A Guide to Evaluating the Effects of State Welfare Policies on Children*. This guidebook, derived from the Project on State-Level Child Outcomes, provides direction to states and localities wishing to assess the impact of welfare reform on children. Copies may be ordered from Child Trends' web site at www.childtrends.org/newswort.htm.

**Figure 2: Core Constructs for the Project on State-Level Child Outcomes**

| Target of Welfare Policies | Other Variables Likely to be Affected by State Policies | Aspect of Child's Environment Likely to be Affected by Welfare Policies | Child Outcomes |
|---|---|---|---|
| Income<br>• Total income<br>• Sources of income (mother's earnings, father's earnings, child support, AFDC, food stamps, SSI, Foster Care/Adoption)<br>• Stability of income<br>• Financial strain/material hardship<br>Employment<br>• Any vs. none<br>• Health benefits through employment<br>• Wages (hourly)<br>• Hours of employment<br>• Stability of employment<br>• Education/licenses<br>• Hard job skills<br>• Multiple jobs concurrently<br>• Barriers to employment<br>Family Formation<br>• Nonmarital birth/marital birth<br>• Child/family living arrangements<br>• Marital status, whether married to child's biological or non-biological father | Psychological Well-Being<br>• Maternal depression<br>Stability and Turbulence<br>• Foster care<br>• Stability in child care<br>• Stability in income<br>• Moving of residence<br>• Change in marital status or cohabitation<br>• Reason child not living with family<br>Absent Parent Involvement<br>• Whether child support provided<br>• Paternity establishment<br>• Frequency of contact with child<br>Use of Health & Human Services<br>• Food stamps<br>• Medicaid (awareness, use, eligibility)<br>• Child care subsidy (awareness, use, eligibility)<br>• Access to medical care<br>Consumption<br>• Percent of income spent on child care and rent | Child Care<br>• Type<br>• Extent<br>• Quality (group size, ratio, licensing, parent perception)<br>• Stability<br>• Child care history for last several years<br>Home Environment and Parenting Practices<br>• Child abuse/child neglect<br>• Domestic violence/abusive relationships<br>• Family routines<br>• Aggravation/stress in parenting<br>• Emotional support and cognitive stimulation provided to child | Education<br>• Engagement in school (ages 6-12)<br>• School attendance (all children)<br>• School Performance (all children)<br>• Suspended/expelled (all children)<br>• Grades (ages 6-12)<br>Health and Safety<br>• Hunger/nutrition (ages 5-12)<br>• Child health status (ages 5-12)<br>• Regular source of health care (ages 5-12)<br>• Teen childbearing (ages 14-17)<br>• Accidents and injuries (all children)<br>Social & Emotional Adjustment<br>• Behavior problems (ages 5-12)<br>• Arrests (all children)<br>• Social competence (ages 5-12) |



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## Publications on Children and Welfare Reform Available from NCCP

**ISSUE BRIEFS** ($5.00 each / 4 for $15.00)

Issue Brief 1: *How Welfare Reform Can Help or Hurt Children*
by Ann Collins and J. Lawrence Aber

Describes the research base for NCCP's framework to assess welfare changes from a children's perspective and points to lessons from current and welfare-to-work evaluations. (1997). 12 pp.

Issue Brief 2: *Anticipating the Effects of Federal and State Welfare Changes on Systems that Serve Children*
by Ann Collins

Focuses on processes to assess how federal and state welfare initiatives will have an impact on state and community policies and systems that serve children and families. (1997). 12 pp.

Issue Brief 3: *The New Welfare Law and Vulnerable Families: Implications for Child Welfare/Child Protection Systems*
by Jane Knitzer and Stanley Bernard

Examines the potential impact of PL. 104-193 on vulnerable families already in or at risk of entering the child welfare/child protection system. (1997). 20 pp.

Issue Brief 4: *Responsible Fatherhood and Welfare: How States Can Use the New Law to Help Children*
by Stanley Bernard

Outlines provisions in the welfare law related to fatherhood and offers states strategies to encourage responsible parenting by custodial and noncustodial fathers. (1998). 24 pp.

Issue Brief 5: *Children and Welfare Reform: Child Care by Kith and Kin—Supporting Family, Friends, and Neighbors Caring for Children*
by Ann Collins and Barbara Carlson

Summarizes the research on kith and kin child care, examines traditional policies, describes eight innovative program strategies, and makes recommendations that states and local communities can use to reach out directly to these child care providers and the children for whom they care. (1998). 20 pp.


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the forum VOL. 2, NO. 3 NOVEMBER 1999

RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

## Note from the Director–Barbara B. Blum

For decades, policymakers and practitioners have observed that achieving changes in social policy and practice depends on how and whether new mandates are implemented. Implementation can falter for many reasons, including poorly defined objectives, insufficient financing, inadequate staff training, and shifts in political philosophy. The study of factors influencing implementation is of relatively recent vintage and the development of implementation research activities has been far more *laissez-faire* than research efforts designed to measure impacts.

With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and the devolution of decision making concerning welfare and other social policies that the act engendered, far more attention has been focused on the value of implementation evaluations. In order to clarify how important implementation questions can be answered, the Research Forum has been working with the Institute for Research on Poverty (IRP) at the University of Wisconsin for the past two years to engage experts from the implementation research field in a careful examination of strategies and methods best designed to respond to the information needs of policymakers and practitioners.

This issue of *the forum* draws upon these discussions to provide background information regarding the value of implementation research. Also described, quite briefly, is a set of papers authored by seventeen of the participating experts from this burgeoning field. These papers are designed to become chapters in a volume scheduled for publication in 2000.

# Understanding *How* Change Occurs: Implementation Research in the TANF Era

*by Ellen Winn*

Implementation evaluations seek to understand *how* policies move from legislation to practice. Typically such evaluations describe how program rules are operationalized and the services are actually delivered. Knowledge of agency management and performance and staff and client behaviors and attitudes are key components of implementation evaluations that could not easily be addressed by traditional impact and outcome studies.

Implementation evaluations attempt to capture the essence of what programs *do*—the actions that make policy real. Understanding the experiences of the participants and workers can be crucial in this type of evaluation. Usually, implementation data are gathered by visiting program offices (often across multiple service delivery areas), interviewing caseworkers, talking to clients, surveying administrators, directly observing client and caseworker interactions, and reviewing individual case documents.

### Origins in Public Administration Research

Studying policy implementation became common in the early 1970s as a subfield of public administration. The publication of studies by Derthick that described federal government efforts to create model communities in a Washington, D.C. neighborhood and by Pressman and Wildavsky that analyzed the U.S. Economic Development Administration efforts to encourage the hiring of low-income African Americans in Oakland, California, contributed to the emergence of implementation research as an increasingly valid and critical method of analyzing and understanding policy.* The heightened interest in implementation research, coupled with the rapidly increasing number of federally mandated social programs created under the rubric of the War on Poverty, helped secure a foothold for implementation research in the research and evaluation

* Derthick, M. (1972). *New towns in-town: Why a federal program failed.* Washington, DC: Urban Institute Press.

Pressman, J. L. & Wildavsky, A. (1973). *Implementation: How great expectations in Washington are dashed in Oakland; Or, why it's amazing that federal programs work at all, this being a saga of the Economic Development Administration as told by two sympathetic observers who seek to build morals on a foundation of ruined hope.* Berkeley, CA: University of California Press.

continued on page 2

fields. From its public administration beginnings, implementation research diversified to incorporate the study of public health organizations, the legal system, business administration, and now welfare reform.

## Emphasis on Process Behind Change

Recent changes in social welfare policy have greatly altered the ways in which aid to poor families is structured and delivered. Prior to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), federal oversight of the design and administration of income support programs permitted cross-state variation only in narrowly prescribed areas. PRWORA replaced an open-ended form of federal assistance with Temporary Assistance for Needy Families (TANF), which is a capped block grant. Within broad federal parameters, states were encouraged to exercise flexibility in constructing their own social assistance systems for impoverished families. This significant set of policy changes has caused a devolution of power from the federal government to the state and local levels, and even, in some cases, from the public sector to the private sector. The passage of PRWORA generated a great deal of controversy, most of which focused on several substantive provisions, such as time limits and work requirements. However, no single provision of this welfare law can explain the transformation of governance and social policy today that the aggregate provisions of PRWORA continue to engender.

These dramatic transitions challenge the research and evaluation community to document the location and extent of change, the organizational structures that are emerging, and the effects on client and staff attitudes and behavior. Better understanding of these matters is valuable in and of itself. For example, such information can be used by policymakers to revise programs in mid-course and by scholars to broaden their knowledge about the process of organizational change. Knowing what services are delivered, when, where, how, and to whom is essential to linking program participation outcomes to particular program operations. Understanding the effects of welfare reform on poor families requires knowing how welfare agencies manage and perform, as well as how staff members interact with their clients and disseminate critical information, and, ultimately, how clients interpret and absorb these interactions. These issues are not easily addressed by impact and outcomes evaluations, the traditional form of social program research.

Implementation studies enable researchers to represent and describe often over-looked and understudied dimensions of welfare reform and devolution. These types of evaluations may also be used for:

- *Administrative purposes.* Implementation studies are useful in assessing caseworker and administrator performance, determining whether specific policies are actually being implemented, or giving examples of how services are provided in one area.
- *Enhancing understanding of program results.* Implementation research helps program evaluators understand how program design, administration, operations, and service delivery affect program results. Implementation studies may be used in conjunction with impact evaluations by linking the exposure individual welfare clients had to the program effects of policies.
- *Assessing the effects of welfare laws on other social welfare programs.* Implementation evaluations may unearth key program discrepancies, such as lack of consistency in: (1) referring cash assistance applicants or current recipients to other programs, such as Food Stamps, or even discouraging the receipt of any form of assistance; (2) explaining supplemental benefits, such as CHIP and Medicaid, to welfare recipients or not mentioning them at all.

## Research Forum/IRP Implementation Project

Even before the passage of PRWORA, concern about the broad implications of welfare and related reforms was growing within the research community. In February 1996, the Institute for Research on Poverty (IRP) at the University of Wisconsin and the National Center for Children in Poverty (NCCP)—the Research Forum's parent body—organized a conference to bring together representatives of the evaluation community to rethink their mission and methods. That gathering and others that followed have led to the realization that implementation research is critical to understanding and documenting the changes in the structure and practices of the welfare system.

Evaluators, researchers, and policymakers have worked together for the past two years in order to advance the use and enhance the quality of implementation research. This working group has produced eleven papers, which will become chapters in a published volume in 2000 coordinated by the Research Forum and IRP. The papers examine the following issues:

- The broad parameters and goals of implementation research;
- How human service administrators rely upon implementation research to understand the actual shaping of public policy;
- How discrepancy analysis has been used to identify gaps between policy intent and program operation;
- The interactions within the welfare organization between welfare workers and clients using street level analysis;
- Field network studies focusing on political and administrative decision-making processes;

- The value of implementation research in explaining findings from impact research;
- Performance analyses to link program practices to outcomes;
- Ethnographic methods to improve understanding of clients' experiences;
- Evaluation of potential data sources for implementation research from quantitative and qualitative data; and
- The use of administrative data for implementation research, especially methods to ensure quality, reliability, and confidentiality.

A final chapter will highlight the major contributions of each research strategy and will suggest a future agenda for the field. A guidebook for users of implementation research is also being prepared.

Both of these volumes aim to: (1) articulate a general framework for planning and carrying out implementation evaluations, (2) develop a common terminology and language about these methods, and (3) advance general standards and strategies for answering key process questions. The papers will help researchers who design and carry out implementation studies as well as practitioners and policymakers primarily interested in the lessons implementation research may bring concerning the management and operation of their programs.

Practitioners and policymakers, who increasingly require accountability from public agencies, need timely information on what services are delivered, to whom, and at what cost. Researchers who are concerned with organizational structure and operations may be particularly interested in understanding how organizational players adapt to change. Implementation research is the primary tool for obtaining this information.

Hopefully, the efforts of the Research Forum and IRP will permanently embed implementation research within the spectrum of credible and useful welfare reform research methods. As reauthorization for PRWORA grows nearer, the research community will benefit from relevant and trustworthy research tools to provide policymakers and the general public with a comprehensive and accurate picture of the impact of welfare reform.

### Implementation Studies in the Research Forum's Database*

Currently, 29 reviewed projects have implementation studies as a component of their evaluations. The following studies have released final implementation findings:

- Alabama ASSETS Demonstration
- Canada's Earnings Supplement Project (ESP) Evaluation
- GAIN Evaluation
- LEAP Evaluation
- National Evaluation of the Comprehensive Child Development Program
- New Chance Demonstration
- New York Child Assistance Program (NY CAP) Evaluation

The following projects have recently released interim implementation study reports:

- Jobs Plus Evaluation
- Florida Transition Program Evaluation

*For more information on these studies, visit the Forums web site: www.researchforum.org.

### Upcoming Volume on Implementation Research

Preface Barbara B. Blum

Introduction: Implementation Research in an Era of Devolution Mary Clare Lennon & Thomas Corbett

Chapter 1: Theoretical and Substantive Dimensions in Process and Implementation Studies on Welfare Demetra Nightingale & Pamela Holcomb

Chapter 2: A View from the Consumer or the Public Management Perspective Joel Rabb & Don Winstead

Chapter 3: Implementation Analysis: From Intention to Intervention Thomas Corbett & Thomas Kaplan

Chapter 4: Street Level Analyses Evelyn Brodkin

Chapter 5: Field Network Studies Irene Lurie

Chapter 6: What's Behind the Impacts: Doing Implementation Research in the Context of Program Impact Studies Kay Sherwood & Fred Doolittle

Chapter 7: Performance Analysis Lawrence Mead

Chapter 8: Approaches to Data Collection Leanne Charlesworth & Catherine Born

Chapter 9: The Use of Administrative Data for Implementation Research Robert Goerge

Chapter 10: The Close-Up Lens: What Client-Based Ethnographic Work Can Add Kathryn Edin

Chapter 11: Summary and New Directions Rebecca Maynard

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RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

Note from the Director–Barbara B. Blum

Welfare reform has created extensive challenges for researchers, policymakers, and practitioners. With many changes in social policy occurring simultaneously and quite rapidly, current and reliable information about their effects is critically important. Analysis of national survey data and the creative use of administrative data (data routinely collected in the course of operating existing programs, including client, program, staff, and fiscal information) serve as important resources and are the subject of this issue of *the forum*.

This edition is informed by a presentation on the use of national data sets made by Howard Rolston, Director, Office of Policy and Evaluation of the Administration for Children and Families, U.S. Department of Health and Human Services, to the Welfare Information Network (WIN)/Research Forum Devolution Tracking Group on July 7, 1999.

It is also based on interviews with Gary Cyphers, Director, Human Services Research Information Center, and Kathy Kinsella, Senior Research Analyst, at the American Public Human Services Association (APHSA); Robert Goerge, Associate Director of the Chapin Hall Center for Children at the University of Chicago; and Claudia Coulton, Co-Director, and Lisa Nelson, Senior Community Information Specialist, at the Center on Urban Poverty and Social Change at Case Western Reserve University.

# The Role of Administrative Data and National Data Sets in Understanding Welfare Reform

*by Ellen Winn and Mary Clare Lennon*

The nationwide revolution/devolution in social welfare represented by the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 has created a need for studies at multiple levels—community, state, and national. Many of the current attempts to assess the effects of PRWORA on the lives of low-income families and children utilize both national data sets and various forms of administrative data as research tools *and* to complement primary data sources (e.g., data collected specifically for a research endeavor). These data are typically less expensive to access than primary data and include a broad range of information drawn from large samples, which allows researchers, practitioners, and policymakers to do significant analysis and hypothesis testing in a relatively efficient manner.

## Part I: New Uses of Administrative Data

With social welfare programs now almost entirely designed at state and local levels, researchers increasingly have turned to administrative data to evaluate the scope and nature of devolution. A number of innovative projects around the country are using administrative data in creative ways not only to better understand welfare reform, but to mine this knowledge so that programs can respond more effectively to the needs of low-income families.

### State TANF Agencies Innovate Data Use

The Human Services Research and Information Center at APHSA is studying how welfare agencies administering the Temporary Assistant for Needy Families (TANF) capped block grant to states (created by PRWORA to replace the open-ended Aid to Families with Dependent Children federal welfare program) currently use administrative data to answer key management, planning, and policy questions concerning their programs. The goals are: (1) to ascertain the ways in which states are using available data and, then, (2) to encourage states to augment and enhance these activities to maximize the analysis of TANF data for improving program design and policymaking. The core of the project is a survey sent to all state TANF administrators in fall 1999.

Overall findings from this survey, which had a nearly 100 percent participation rate, indicate that states are collecting a wide range of program-related data, typically exceeding federal requirements, and are using these data

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### Frequently Used State TANF Administrative Data

The following categories of TANF data are most frequently used for policy formulation, program planning and management, and research:

**TANF Client Employment**

- Job readiness and preparation activities
- Job placement
- Types of jobs obtained (e.g. service, retail)
- Calculation of work participation rate
- Starting wages

**TANF Caseload Dynamics**

- Number of months of time limit (lifetime and episodic) used and/or left
- Reasons clients leave TANF
- Demographic characteristics (e.g. age, education) of clients who left TANF
- Demographic characteristics of clients returning to TANF
- Caseload reductions
- Number of families diverted from TANF

**TANF Client Characteristics**

- Demographic characteristics of caseload
- Demographic characteristics of child-only cases
- Client service needs

in a variety of ways. Most frequently, states appear to use TANF and other related programs' administrative data to influence statewide policy and regulation, to shape program performance and evaluation, and/or to stimulate program planning and development. Specific categories of TANF data supporting these purposes are client employment, caseload dynamics, and client characteristics.

The survey also reveals that a majority of states are tracking former TANF clients' use of at least one other public program, such as subsidized child care, food stamps, Medicaid, Children's Health Insurance Program (CHIP), foster care, child support, general assistance/relief, or Unemployment Insurance (UI). The most frequently tracked other public programs are food stamps, Medicaid, and subsidized child care. A number of states are innovating new data uses such as tracking former TANF recipients as they move from welfare to work. New data-gathering strategies include creating data warehouses and constructing interfaces between existing databases.

The initial findings from the state TANF administrators' survey will be posted to the APHSA web site (http://www.aphsa.org) in spring 2000. A satellite videoconference to discuss these findings will be held on April 11, 2000, from 2–3:30 p.m. (EST) and is open to the general public. A final report of the survey results will be published in spring 2000. Questions concerning this project and its related activities should be directed to Gary Cyphers, e-mail: gcyphers@aphsa.org.

**"Administrative data are helpful in determining the level of intensity of [social] services that may be needed by clients."**

—State TANF Administrator

### Using a State Database to Inform Policy

The Integrated Database on Children's Services in Illinois (IDB) provides a comprehensive quantitative picture of how children in Illinois use publicly provided and/or financed service programs. This unique database, developed by the Chapin Hall Center for Children at the University of Chicago over the last decade, is compiled from administrative data that have been reformulated and analyzed to inform research, policy, and management of public programs. Currently, researchers are in the process of adding educational records.

The utility of the IDB is augmented by the inclusion of data over a 20-year time period that facilitate longitudinal analyses. These create an opportunity to track trends over a significant time span. Currently, the IDB is used to plan human services reform, analyze the experience of chil-

### Integrated Database on Children's Services in Illinois (IDB)

*Contents:* Information about Illinois children involved with social service programs.

*Sources:* Administrative data from federal- and state-funded programs including:

- Child Welfare System
- Corrections and Juvenile Justice system
- Family case management agencies
- Food stamp programs
- Medicaid
- Mental health agencies
- Special Education System
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- Substance abuse agencies
- TANF agencies
- TANF-related job readiness and preparation activities

dren in the foster care system, and evaluate the effects of welfare changes on children and families.

The IDB project is used in various ways by disparate groups. For example, researchers have used the IDB to create the first-ever, nonduplicative count of Illinois children receiving publicly funded support services. Illinois Department of Health and Human Services staff and consulting researchers use the IDB extensively for planning, implementing, managing, and evaluating state social programs and policies. The database has been used to generate Illinois KIDS COUNT data (a national and state-by-state effort to track the status of children in the United States, coordinated by the Annie E. Casey Foundation). Other frequent users include U.S. Department of Health and Human Services staff, state and local policymakers and practitioners, and U.S. Congressional staff.

While the IDB is presently only available for Illinois, replication is being planned in California, Massachusetts, North Carolina, and Wisconsin. Chapin Hall's initiative is being used as a national standard to transform the use of administrative data for new policy, practice, and research decisions by other states and localities. See the Chapin Hall web site (http://www.chapin.uchicago.edu) for further IDB information and related publications.

## Local Database Empowers Citizen Groups

The Cleveland Area Network for Data and Organizing (CAN DO), created by the Center on Urban Poverty and Social Change at Case Western Reserve University, is a collaborative information sharing network that includes an interactive on-line database and mapping program. CAN DO provides comprehensive data pertaining to Cleveland's neighborhoods and the suburban municipalities in Cuyahoga County (with limited data available for seven additional counties surrounding Cleveland). Designed to be used by nonprofit organizations, community-based organizations, government agencies, universities, researchers, and students, CAN DO seeks to bring essential local information to a wide range of individuals to encourage innovative approaches to solving complex poverty-related problems. For example, housing planners are given direct access to information about the occupational skills of area residents or the kinds of skills required for employment in particular locations.

The mapping element of CAN DO allows users to organize and analyze information geographically to create individually crafted data maps. Since multiple data elements can be used simultaneously, these maps often help to elucidate key relationships, such as the correlation (or lack thereof) between the concentration of low-income populations and the location of public services.

A major goal of CAN DO is to empower a broad spectrum of individuals and organizations by offering direct access to information that relates to their areas of concern.

### Contents of CAN DO–The Cleveland Area Network for Data and Organizing

Currently CAN DO includes the following data:

- Child maltreatment data
- Crime data
- Decennial U.S. Census data (1980 and 1990)
- Economic data (such as welfare dependency, mortgage lending, and new housing construction)
- Housing information (such as tax delinquency rates, vacant land, and subsidized housing)
- Vital statistics such as birth, death, infant mortality, and low birth weight statistics
- Welfare program participation rates

For example, CAN DO supplied data and information for the Social Indicators Project (co-sponsored by United Way Services and the Federation for Community Planning), a three-year effort to provide accessible, easily updated information on social trends in Cleveland and Cuyahoga County. The first volume in a series of five, *Indicators of the Well-Being of Children and Families*, charts 20 indicators, including poverty status, children in families receiving cash assistance, and regulated child care spaces. This volume will enable local service agencies to better understand the composition of their communities, to target social programs to the appropriate populations, and to make funding decisions.

Free CAN DO training sessions are offered by Center on Urban Poverty and Social Change staff members to all interested parties in an attempt to encourage use of the database. Further CAN DO and related information is available through the Center on Urban Poverty and Social Change web site (http://povertycenter.cwru.edu).

## Part II: Using National Data

In addition to information gathered from administrative records, such as TANF, food stamps, Medicaid, and Unemployment Insurance, other national data sets continue to be utilized for welfare reform analysis. National data sets are used to observe and analyze trends in poverty, income, employment, unemployment, and fertility and to link these findings with policy changes.

Large-scale national data sets are particularly useful in the study of welfare reform when they include information on family income before and after the 1996 federal welfare changes. They are also helpful in making assessments of multiple factors across time, observing trends, tracking changes in outcomes, and studying how a given policy affects nonparticipating family members.

Results from analyses of national data provide a framework for comparison with local data, aiding researchers


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## Primary Sources of National Data

The following national data sets may be used in the study of welfare reform.

**AMERICAN COMMUNITY SURVEY (ACS)** (http://www.census.gov/acs/www/)

| | |
|---|---|
| **Sponsor** | U.S. Bureau of the Census |
| **Description** | Provides states and communities with information about their social, housing, and economic conditions. ACS will update decennial census data by collecting the same information every year that the census now collects only once every ten years. In the first year, 1997, the survey was conducted in eight sites. At full implementation in 2003, the ACS will have a sample size of three million households, providing statistically valid demographic data at the state level on an annual basis. In later years, data will be available for smaller areas and population groups. In 2010, the ACS will replace the decennial census long form. |
| **Utility to Welfare Researchers** | ACS will enable state and local officials to track child, family, and elderly well-being. It will also allow the federal government to track state-level employment, welfare, and housing outcomes. |

**CURRENT POPULATION SURVEY (CPS)** (http://www.bls.census.gov/cps/cpsmain.htm)

| | |
|---|---|
| **Sponsor** | U.S. Bureau of the Census |
| **Description** | Provides information on labor force characteristics of the U.S. population via a monthly survey of about 50,000 households that has been conducted for over 50 years. Poverty statistics, specifically, are taken from the March Income Supplement to the CPS. |
| **Utility to Welfare Researchers** | CPS data are used as indicators of the U.S. economy and for planning and evaluating government programs. |

**NATIONAL LONGITUDINAL SURVEY OF YOUTH (NLSY)** (http://stats.bls.gov/nlshome.htm)

| | |
|---|---|
| **Sponsor** | U.S. Bureau of Labor Statistics |
| **Description** | Data are collected to study in detail the longitudinal experiences of a particular group of young Americans (ages 14 to 22, first surveyed in 1979) and the children of the sampled women. In 1997, the NLSY program was expanded to include a new cohort of young people ages 12 to 16 as of December 31, 1996. This new cohort is the National Longitudinal Survey of Youth 1997 (NLSY97). |
| **Utility to Welfare Researchers** | Used to analyze the disparate life course experiences of men and women, Hispanics, blacks, and the economically disadvantaged. |

**NATIONAL SURVEY OF AMERICA'S FAMILIES DATABASE** (http://newfederalism.urban.org/nsaf/index.htm)

| | |
|---|---|
| **Sponsor** | The Urban Institute, Assessing the New Federalism Project |
| **Description** | A representative survey of the U.S. population under age 65 in over 44,000 households, with oversampling in 13 states that represent a majority of the nation's population and a variety of approaches to government programs. A second cross-sectional survey of almost 46,000 households was conducted in 1999. |
| **Utility to Welfare Researchers** | Provides a comprehensive view of adult and child well-being and analyses of differences among the 13 studied states. |

**PANEL STUDY OF INCOME DYNAMICS (PSID)** (http://www.isr.umich.edu/src/psid/index.html)

| | |
|---|---|
| **Sponsor** | University of Michigan, Institute for Social Research, Survey Research Center |
| **Description** | An ongoing longitudinal survey, since 1968, of a representative sample of U.S. individuals and the families in which they reside. A recently added Child Development Supplement augments existing data with information concerning parents and their children, ages birth to 12 years, to give researchers a comprehensive, nationally representative, and longitudinal database of children and their families. |
| **Utility to Welfare Researchers** | PSID data can be used for cross-sectional, longitudinal, and intergenerational analysis of both individuals and families. |



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## Primary Sources of National Data (continued)

**SURVEY OF INCOME AND PROGRAM PARTICIPATION (SIPP)** (http://www.bls.census.gov/sipp/)

| | |
|---|---|
| **Sponsor** | U.S. Bureau of the Census |
| **Description** | Longitudinal data set to measure the economic situation of individuals, families, and households in the U.S. and provide a mechanism for managing and evaluating government transfer and service programs. Data are collected via a continuous series of national panels (ranging from 2.5 to 4 years) with sample size ranging from approximately 14,000 to 36,700 interviewed households. |
| **Utility to Welfare Researchers** | Useful to analyze the distribution of income, wealth, and poverty across American society and to assess the effects of federal and state programs on the well-being of families and individuals. |

**SURVEY OF PROGRAM DYNAMICS (SPD)** (http://www.sipp.census.gov/spd/)

| | |
|---|---|
| **Sponsor** | U.S. Bureau of the Census |
| **Description** | Extends the 1992 and 1993 panels of SIPP over a 10-year period, covering years prior to and after welfare reform legislation. SPD will provide 10 years of panel data about households with children, with an over-representation of households in and near the poverty threshold. |
| **Utility to Welfare Researchers** | These data will lay the groundwork for an overall evaluation of how welfare reforms are achieving their initial aims. |

and policymakers to understand and conceptualize state-, local-, and program-level experiences and outcomes in a national context. Given the breadth of the information, national data are flexible and may be tapped for both complex analytic and simple descriptive research.

### National Data Has Strengths and Limits

While rich data sources and new technologies for linking and comparing such data provide exceptional opportunities for analytic initiatives, persistent problems with national data do exist. These include definitional issues, such as how to determine what constitutes a "household unit" (there are often family and non-family members residing in one household), and documentation issues, such as how to document out-of-pocket versus covered health care expenses. Other critical issues include incompatibility of related data sets, for example, the problem of linking food stamp, Medicaid, and TANF data with national survey data; quality of data; and underreporting of various data (primarily related to sources of income). The most critical issues are the limitations that small sample sizes frequently impose on analyzing state and local changes and attrition in longitudinal panel studies, which may limit their validity.

National data sets have particular strengths and limitations. How researchers, practitioners, policymakers, and advocates use these data sets to augment and sharpen research, to formulate future social policy, to improve service delivery and management, and to pinpoint successes and failures of the existing welfare system will become critically important as the debate on the reauthorization of the 1996 federal welfare legislation in 2002 begins.

### Conclusion

Using administrative data and large-scale national survey data gives researchers the capacity to begin to differentiate the effects of policy changes from demographic changes in this era of welfare reform and devolution. For the data analyses to be maximally effective, researchers need to more adequately address issues of underreporting and omission (such as the relative dearth of information on the homeless and mentally ill populations). Creative approaches toward utilizing data, such as those illustrated here, can facilitate a more accurate assessment of how children and their families are faring under welfare reform and enable policymakers to make better informed decisions about future welfare policy.

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**Issue Brief No. 7:** ***Better Strategies for Babies: Strengthening the Caregivers and Families of Infants and Toddlers*** by Elizabeth Gelman and Ann Collins
Highlights strategies states and localities can use to advance the healthy development of infants and toddlers in the context of promoting parental economic self-sufficiency. Examples address access and quality issues and parent-child relationships, while supporting low-income parents in or moving into the workforce. (January 2000). 20 pp.

**Issue Brief No. 8:** ***Promoting Resilience: Helping Young Children and Parents Affected by Substance Abuse, Domestic Violence, and Depression in the Context of Welfare Reform*** by Jane Knitzer
Highlights service, policy, and funding strategies to promote resilience, social competence, and school readiness among children in especially vulnerable families; repair (or prevent) damaged parent-child relationships; and ensure child safety while helping parents meet work-related welfare goals. (February 2000). 24 pp.

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RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# Seeing TANF from the Inside Out—Reconsidering the Program's Role in the Wake of Welfare Reform

*by Fredrica D. Kramer*

Welfare reform has so succeeded in taking center stage in our current discourse about poverty that we may now, perhaps mistakenly, expect Temporary Assistance to Needy Families (TANF) to be the lead program to redress child and family poverty. In fact, the breadth of research findings now emerging largely as a result of welfare reform suggests that a substantial subset of families will need episodic or sustained help for much longer than TANF time limits will allow, from a broader array of providers than TANF agencies consistently or effectively interact with, and that some may need help from outside the TANF system entirely. The challenge is to develop a more refined model of individual and family transformation and new ways to reconfigure human services to maintain an effective presence for fragile families over the long term. A quick review of recent research indicates a real need to rethink the current emphasis on new *tools*, better *targeting*, and better *training* within the TANF agency, and consider a broader, system-wide, approach in which TANF is one of a well-coordinated set of players and funding options.

New data generated specifically to assess the effects of welfare reform on low-income families and communities will allow researchers, policymakers, and others to apply different lenses to understand who makes it off the rolls and what policy or program responses might better help those who do not. For example, new national household data from the National Survey of America's Families (NSAF); cross-city comparisons using multidisciplinary methodologies, such as the Project on Devolution and Urban Change of the Manpower Demonstration Research Corporation (MDRC) and Welfare, Children, and Families: A Three-City Study of Johns Hopkins University; and findings from randomized experiments conducted prior to passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) will help us assess the impact of policy and program options now being used under welfare reform. Additionally, detailed portraits are emerging of recipient experiences in the welfare system, through program-specific recipient surveys and ethnographic observations.

## Poor Families Face Diverse Work Obstacles

National survey data tell us that there is not one story of welfare nor one recipient profile, and getting off welfare does not always lead to economic or psychological well-being. Geographic differences are very important. Compared to those who have left the welfare rolls, current recipients are more likely to be from the Northeast and West—reflecting in part state policy differences—but also, perhaps, the particular challenge of large-scale bureaucratic reform. Approximately two-thirds of those who leave welfare are working, but typically in low-paying service jobs. The data also tell us that those who remain on the rolls are increasingly those with multiple challenges, but who works is largely unpredictable. Some presumed obstacles to work, such as the presence of young chil-

## Note from the Director–Barbara B. Blum

This issue of *the forum* synthesizes information from research projects studying the experience of participants in welfare-to-work activities. Drawing on the findings, the author, Fredrica Kramer, senior consultant in social welfare policy for the Welfare Information Network, The Urban Institute, and other nonprofit and government organizations, argues for significant structural and programmatic changes to provide needed supports for vulnerable individuals who otherwise will be unlikely to enter employment and/or remain employed. Her recommendations, which grew out of a presentation at the November 1999 meeting of the Association for Public Policy Analysis and Management, mirror those suggested in the recent Children and Welfare Reform Issue Brief No. 8—*Promoting Resilience: Helping Young Children and Parents Affected by Substance Abuse, Domestic Violence, and Depression in the Context of Welfare Reform*—by NCCP's deputy director, Dr. Jane Knitzer, which addresses the needs of children in households headed by adults not well equipped to negotiate the TANF process. These two publications suggest that for some welfare participants an array of interrelated interventions will be necessary to achieve and sustain TANF's self-sufficiency objective.

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dren, may have less impact on the likelihood of working, although the more obstacles the harder it is to get off welfare and, certainly, the harder it is to stay off welfare.

Analyses using other national data sets suggest that psychological disorders and health problems among adult recipients and those they care for may be quite prevalent. Less documentation exists about other problems such as obesity, high blood pressure and the side effects of poor nutrition, protracted caretaker responsibilities, housing instability, persistent family problems, legal entanglements, and other assaults to basic coping. How these problems affect the lives of poor families is now largely only suggested by anecdotal or ethnographic work, and more research is needed.

In-depth analyses of recipient experiences are still scarce. What is available reiterates that many will need to access help for a long time, and that who will struggle is not easy to predict. Getting off welfare and becoming self-sufficient are different processes, the latter remaining elusive for many during a long and difficult period of transition. For example, researchers from Project Match, an employment program for the hardest to serve in Chicago, have followed participants, most of whom are welfare recipients, for an average of 68 months, and carefully graphed the employment process, fine tuning our understanding of the unsteadiness of transitioning off welfare. They find that even for those who obtain work quickly, job cycling is the norm—with most participants needing more than five years to permanently transition off welfare. Findings from the Postemployment Services Demonstration suggest that intensive monitoring and assistance may be needed for extended periods after recipients begin working. Also, consistent with other research, who will need services is difficult to anticipate.

## Screening Tools and Targeting Have Limits

Welfare reformers often still assume that changes in organizational culture and staff roles *within the welfare office*, given the right tools, will allow clients to reach their goals of self-sufficiency. Thus agency reform is largely focused on assessment *tools*, client *targeting*, and staff *training*. The evidence so far calls this focus into question.

First, the complexity of the lives of many welfare recipients, especially those left behind on the TANF rolls, is still not widely appreciated. The transition to stable employment is an extremely unsteady process. For some, full self-sufficiency may be truly unachievable—not just due to psychological barriers or other difficulties—but because the wage levels they can obtain in the near-term will not allow it. Those with extremely low basic skills may be qualified for less than 10 percent of all available jobs.

Second, although program personnel want to make decisions based on objective criteria, they cannot isolate key variables, and presort and prescribe services. There are few effective screening tools for many of the issues that may affect recipients' employability; many problems reveal themselves only over time, and even the best tools may not identify them. Some mental health issues, such as prior sexual abuse and its possible connection to long-term depression, may never be revealed to welfare agency staff. Individuals are unlikely to volunteer such information unless help, rather than punishment, is the reward. For example, substance abusers or victims of domestic violence are unlikely to disclose their situations in an environment in which they do not feel safe or which cannot protect them unequivocally from surrender of their children.

Third, the convergence of issues such as substance abuse and the ability to function in the workplace is not always clear. Drug testing may push out of the labor market just those individuals who can function with some drug use, and severe cocaine and alcohol users may be only a very small portion of the caseload. Further, exposure of mental health and substance abuse issues may make staff vulnerable to mislabeling, misdiagnosis, and inappropriate assignment on the one hand, and an obligation to treat on the other, and diagnosis may still require clinical psychologists or other experts.

Without effective screening tools to identify problems, and without clear guidance about who needs help, targeting services is also largely unachievable. Rather, agencies may need to respond to current and obvious needs, and let client experiences and program responses unfold over time. As the Project Match researchers argue, programs must assess and reassess based on what clients report, paying special attention to those who ask for little—a potential sign of problems such as substance abuse or domestic violence that will keep them at risk of dependency into the future. Such an approach requires proactive and often intensive staff/client interaction more sophisticated and more costly than welfare staff are used to providing. This is not easily achievable—even with current flush TANF budgets. Workforce development agencies are even less accustomed to serving individuals with multiple personal and family problems or maintaining assistance for protracted periods of time.

## Internal Agency Reform Also Limited

TANF agencies, increasingly aware of these new challenges, are attempting to transform their eligibility workers into case managers, responsible both for identification and assessment of complex personal and family issues that impact recipients' ability to work and for maintaining responsibility for clients throughout the duration of TANF assistance. Common wisdom and some emerging research suggest that inadequate training, large staff caseloads, contradictory program objectives, and persistent rewards for speed and accuracy rather than social outcomes, may still dominate many welfare agencies. In one assessment of a major culture change within a state

## Database Research Projects Examining Cross-City Effects of Welfare Reform

### POSTEMPLOYMENT SERVICES DEMONSTRATION

| | |
|---|---|
| **Evaluator** | Mathematica Policy Research, Inc. |
| **Research duration** | April 1994–April 1999 |
| **Sites studied** | Chicago, Illinois; Portland, Oregon; Riverside, California; San Antonio, Texas |
| **Populations studied** | Nearly 5,000 welfare recipients who had just found work, enrolled over a 12- to 18-month period |
| **Primary program components** | Focused on helping welfare recipients keep jobs via extended case management |
| **Recent publication** | *The Struggle to Sustain Employment: The Effectiveness of the Postemployment Services Demonstration* (April 1999) |

### PROJECT ON DEVOLUTION AND URBAN CHANGE

| | |
|---|---|
| **Evaluator** | Manpower Demonstration Research Corporation (MDRC) |
| **Research duration** | January 1997–December 2001 |
| **Sites studied** | Cuyahoga County (Cleveland), Ohio; Los Angeles County (Los Angeles), California; Miami-Dade County (Miami), Florida; Philadelphia County (Philadelphia), Pennsylvania |
| **Populations studied** | All food stamp and TANF recipients in the counties being studied, in addition to, selected institutions that serve low-income populations in three "target" neighborhoods |
| **Primary program components** | Multidisciplinary study examining the implementation of welfare reform and its effects on poor families with children, the communities they live in, and the institutions that assist them in four of the largest U.S. urban counties |
| **Recent publication** | *Project on Devolution and Urban Change: Report on Hunger and Food Security* (January 2000) |

### WELFARE, CHILDREN, AND FAMILIES: A THREE-CITY STUDY

| | |
|---|---|
| **Evaluator** | Johns Hopkins University |
| **Research duration** | June 1997–June 2003 |
| **Sites studied** | Boston, Massachusetts; Chicago, Illinois; San Antonio, Texas |
| **Populations studied** | 3,000 low-income households with children in low-income neighborhoods (one-half welfare families) |
| **Primary program components** | Study to investigate the strategies used to respond to welfare reform, in terms of employment, schooling or other forms of training, residential mobility, and fertility. Also examines the effects of these strategies on children's lives, with an emphasis on their health and development as well as their need for, and use of, social services. |
| **Recent publication** | *Welfare Reform and Children: A Three-City Study: Overview and Design* (February 2000) |

TANF agency, managers expressed doubt, despite application of a sophisticated assessment tool and special staff training, that new case managers could recognize learning disabilities or substance abuse, understand latent issues like depression, or have adequate knowledge to make effective referrals for mental health, domestic violence, substance abuse, or other services.

Many agencies recognize their inherent deficiencies and are looking for ways to graft on expertise, using team case management, co-location with specialists from other agencies, and various collaborative arrangements with other agencies to identify, refer, and sometimes directly case manage TANF clients. Collaboration can expose historical differences between cash welfare programs and, for example, vocational rehabilitation and mental health programs. It requires serious staff training and often cross-training to make interaction with other agencies or experts effective.

### Position TANF in the Larger System

The evidence suggests that policymakers may need to rethink the place of the TANF agency within the larger social welfare system and consider how cash assistance can be made part of a larger strategy to achieve individual and family transformation. Many recipients will need sustained access to help for a long time, and agencies need a way of staying connected to those families, both to assure they receive other entitlements (such as Food Stamps and Medicaid), and to provide the range of needed social, psychological, and tangible assistance, such as child care. In order to stay connected, services need to be delivered in a way that is destigmatized, both to minimize the disincentive of some former welfare recipients to seek help and to minimize the political vulnerability of cash assistance.

Current thinking about the TANF program design is essentially linear. Indeed, cash assistance (and the TANF



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system) is still the most likely entry point and may be the only source of help for many poor families. As these families enter TANF, they may receive cash benefits, obtain other help, or be diverted out to other systems. But in the frame of time limits, TANF agencies with the best intentions will look to tools or experts to diagnose and triage out those with complex, long-term problems preventing self-sufficiency. Such agencies are likely to operate with a relatively short-term crisis management orientation.

Policymakers may need to turn the current model inside out, to make cash an adjunct service within a larger menu of program and service responses that are provided dynamically over time, so that the question that drives programmatic decisions for a family seeking help is not what can the TANF program provide under time limitations, but what can the larger system provide, and how can the variety of federal, state, and other reimbursements be used to underwrite each service decision. For practitioners, this means at a minimum rethinking the way case management is understood and configured, with responsibilities dictated by the long-term service needs of the family.

Although the challenge remains to maintain accountability to each service and funding source, some TANF agencies are beginning de facto to operate this way, as they apply diversion strategies and refer clients out for treatment and services. For researchers, it means asking questions that go beyond assessing TANF effects to assessing the experiences of poor families as they are or are not served by the various components of the social welfare system and other targeted programs. It also means assessing their progress within the larger economy, and the effects of larger urban and rural planning and development strategies on these families. Importantly, it means devising more effective ways to track those experiences, whether through new efforts to use administrative data or redesigning administrative tracking systems with that in mind. Research, whether large multisite studies or studies of changes in the operation of TANF programs in single sites and from the front-line up, will be more informative the better it can assess the TANF program within this broader context.

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RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# The Next Generation Project

## Collaborating to Understand the Effects of Welfare and Employment Policies on Low-Income Children

The Next Generation project is a new research partnership aimed at informing policymakers, practitioners, and researchers about how welfare and employment policies affect the outcomes of children. The research partners, including researchers at MDRC (Manpower Demonstration Research Corporation), the Social Research and Demonstration Corporation (SRDC), and several universities (see list below of research partners) are at the start of a multiyear effort to conduct secondary analyses of the rich data sets that have already been assembled as part of several welfare reform evaluations.

As welfare reform efforts have proceeded in the last few years, the intensity of the discussion about how these reforms might affect children has far exceeded the extent of rigorous information. "This project is an effort to correct that imbalance, by analyzing and drawing conclusions from information that has recently started to become available," says its director, Virginia Knox. While Next Generation partners will present their work through traditional venues, such as conferences, academic journals, and research reports, their larger mission is to inform state and federal decision making by distilling and disseminating clear lessons in nontechnical language.

### Next Generation Research Partners

The Next Generation project director is Virginia Knox, Senior Research Associate at MDRC. In addition, the MDRC team includes Pamela Morris, Lisa Gennetian, Hans Bos, and other MDRC colleagues. Saul Schwartz leads the effort at Canada's Social Research and Demonstration Corporation. Senior university-based investigators on the project include:

- Greg Duncan and Kathy Edin, Northwestern University
- Aletha Huston, University of Texas at Austin
- Andrew London and Ellen Scott, Kent State University
- Vonnie McLoyd, University of Michigan
- Tom Weisner, University of California at Los Angeles
- Hiro Yoshikawa, New York University

"Several trends make this a critical time to begin identifying emerging conclusions about the effects of different policies and programs on children," asserts Aletha Huston, a Next Generation research partner. On the policy side, in recent years the federal and state welfare systems have evolved dramatically. On the one hand, the expectation that single-parent welfare recipients should go to work has been made operational through an increased use of "sticks," such as welfare time limits and significant sanctions for noncompliance with work requirements. On the other hand, families have benefited from new "carrots" that support work, such as expansions in earned income credit programs by the federal government and those states that have implemented similar tax credits, and increased financial work incentives provided through state welfare systems. While more needs to be learned about the economic effects of these policy changes on adults, even less is known about their effects on children.

At the same time, over the past ten years, policymakers, program operators, advocates, and foundations have all expressed a growing interest in understanding the intergenerational effects of welfare and employment

### Note from the Director–Barbara B. Blum

This issue of *the forum* describes an important new research initiative, The Next Generation: Studying the Effects of Welfare, Anti-Poverty, and Employment Policies on Children and Families. As the full title indicates, this initiative is designed to improve our understanding of the effects of welfare and employment policies on low-income children—a population about whom too few findings exist. The study itself creates a "next generation" of research, drawing as it does on ten experiments in which comparable measures were used to gauge the impacts of very different interventions. The work will be conducted by an impressive group of researchers collaborating across several disciplines.

We are pleased to feature this initiative that reflects so well the Research Forum's interests in promoting rigorous, well-designed research, in supporting collaborative work, and in fostering effective dissemination strategies.

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programs. As a result, an unprecedented number of recent evaluation studies have collected information on not only the economic outcomes of parents, but also on measures of family and child well-being, such as maternal stress and depression; domestic abuse; and children's cognitive development, behavior, health, and safety. These evaluations have been informed by a growing body of research in developmental psychology, economics, sociology, and other disciplines that has shed increasing light on some of the basic processes through which employment, income change, child care, and parental emotional well-being influence children's development.

The Next Generation will draw on data from *ten different evaluations* (many with multiple sites) that have been conducted by MDRC, a nonprofit, nonpartisan social policy research organization. The availability of this wealth of information is due in large part to the foresight of officials at the federal Department of Health and Human Services, who included a child outcomes study in their National Evaluation of Welfare-to-Work Strategies (a multistate evaluation being conducted by MDRC and Child Trends), and who also developed the Project on State-Level Outcomes, an effort to fund and standardize child outcomes modules in five state welfare reform evaluations. Many individual states and foundations also provided the leadership and funding needed to ensure that measures of child and family well-being were included in these evaluations.

"With state welfare policies continually evolving in response to new information and the 1996 federal welfare reform law up for reauthorization in 2002, there is no better time than the present to gather together these data and provide decisionmakers with an in-depth investigation of the impact on families and children of a range of welfare and employment policies," says Dr. Knox.

## Contrasting Interventions Key Feature

The Next Generation has a number of unique features that, in combination, make it a particularly exciting opportunity.

- The project builds upon existing evaluations that in many cases have made a conscious effort to adopt comparable measures of family and child well-being to facilitate cross-cutting work. A particular strength of the studies is that all but one made use of random assignment, which allows for a more definitive determination of cause and effect relationships than other research designs. The Next Generation will use both experimental and nonexperimental methods in its analyses.
- These evaluations tested a range of contrasting interventions. The source projects include programs that provide voluntary services for teen parents, mandatory employment services, financial work incentives with and without mandatory employment services, and time-limited welfare programs. By comparing the patterns of results across projects with similar and differ-

## Next Generation Source Projects

*Note: Many of these projects include more than one component of welfare reform; they are presented here according to the component that most clearly distinguishes them from the other projects listed. Detailed summaries of these projects are on the Research Forum's website: www.researchforum.org.*

**Services for adolescent parents**

**New Chance Demonstration**
Multisite, comprehensive approach to providing services to teen parents, including instruction in basic academic skills, occupational and "life skills" training, and parenting workshops.

**Mandatory employment services for welfare recipients**

**Los Angeles Jobs-First GAIN**
Innovative, strongly employment-focused mandatory welfare-to-work program implemented in Los Angeles County.

**National Evaluation of Welfare-to-Work Strategies (NEWWS)**
Study of eleven mandatory welfare-to-work programs aimed at moving welfare recipients into paid work and off assistance.

**Economic support for the working poor**

**Self-Sufficiency Project (SSP)**
Designed to address the problems of poverty and welfare dependency simultaneously; evaluates effects of a temporary generous earnings supplement on single-parent welfare recipients who work full time.

**New Hope Project**
A community-initiated antipoverty program that provided adults who worked full time an earnings supplement, child care, and health coverage and made community service jobs available to those who could not find full-time work.

**Minnesota Family Investment Program (MFIP)**
State pilot welfare reform initiative that provided an earnings supplement through families' welfare grants and required long-term recipients to work or accept employment-related services.

**Time-limited welfare**

**Florida's Family Transition Program (FTP)**
Among first state welfare reform initiatives to implement a time limit on cash assistance receipt; required recipients to participate in employment-related services prior to the time limit; provided moderate earnings supplement through families' welfare grants.

**Connecticut's Jobs First Program**
Statewide welfare reform program that includes 21-month limit on cash assistance receipt for most families, a generous earnings supplement through families' welfare grants, and participation in employment-related services aimed at rapid job placement.

**Vermont's Welfare Restructuring Project (WRP)**
Statewide welfare reform program to create a new kind of safety net—focused primarily on wage-paying work rather than cash assistance—for families that reach the state's welfare time limit.

**The Project on Devolution and Urban Change (Urban Change)**
A multidisciplinary study of how the changes in federal welfare policy embodied in the 1996 welfare reform law are affecting four of the nation's largest urban counties, where welfare receipt and poverty are highly concentrated.



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ent treatment strategies, the research team will be able to draw conclusions about the effects of different program models.

Although it is based on data from individual evaluations, The Next Generation will conduct new analyses that are both broader and deeper than are typically possible in individual program evaluations—broader, because investigators will look at impacts across previous evaluations to draw conclusions about the benefits or costs to children of particular classes of policies such as mandatory employment and training programs versus financial work incentives—deeper, because central topics will be examined in greater detail than was possible in the individual evaluations. For example, many of the studies collected extensive information on child care use. Researchers will develop descriptive information on the types of child care policies and subsidies that are typically available to welfare recipients and will analyze how these and other factors influence parents' decisions about child care use, which may play an important role in explaining how particular welfare reforms affect children.

- Many projects in this portfolio collected ethnographic and other types of qualitative data as well as quantitative information. The ethnographic and quantitative analyses within particular topics will be designed to inform each other as the work proceeds, enriching both perspectives. Data sources include administrative records (e.g., welfare program and unemployment insurance records, earned income credit data), surveys, and interviews with program staff and participants.
- An enormous strength of the project is the collaboration it represents between academic researchers and researchers who specialize in program evaluation. The Next Generation research partners include both evaluators who worked on the source projects being analyzed and university-based scholars who have been at the forefront of identifying the pathways between parents' economic outcomes and children's development.

## Dialogue Between Researchers, Policymakers

The Next Generation is not simply an opportunity to delve deeper into a group of rich data sets. The project features frequent interaction with decisionmakers at the state and federal levels to ensure that it is asking and answering policy-relevant questions and that the resulting findings are clearly communicated back to decisionmakers.

As an example of this process, The Next Generation team hosted briefings early this year in Washington D.C. to develop primary research questions for the first two years of work. Representatives from the executive branch, from Capital Hill, advocacy organizations, and other groups gave their perspectives on the pressing questions about how poor children and families fare in the context of various welfare, employment, and anti-poverty interventions. A conference call set up through the National Governors' Association served the same function at the state level, with researchers hearing from policymakers, administrators, and National Governors' Association staff who work closely with states on social policy issues.

Next Generation team members continue to meet with policymakers individually and in groups to refine and add research questions to the list. As findings begin to emerge, the project will place a high priority on continuing this dialogue and developing a wide range of strategies to communicate with policymakers, practitioners, and other researchers. Taking advantage of the power of the Internet will be part of that strategy. The Next Generation website will host the latest Next Generation papers and findings (www.mdrc.org/NextGeneration).

## Research to Chart Paths to Child Well-Being

Based on questions that emerged from the conversations with the policy community, The Next Generation project formed research teams around four research topics. Each team—consisting of both MDRC researchers and university-based researchers—will investigate one of the following questions:

**1) What are the effects of mandatory employment programs, earnings supplements, and time-limited welfare programs on parents' economic outcomes, and on family and child well-being?**

Two inaugural publications from The Next Generation this fall will address this question. These complementary documents will be cross-cutting syntheses of results previously presented in individual MDRC project reports and will in many ways provide a starting point for the subsequent questions the project will address. The first report will compare the results of a range of recent welfare reform programs on parents' economic outcomes, including their employment rates, earnings, welfare receipt, family income, and employment stability. The second report will examine a subset of studies that collected detailed information on children's outcomes, summarizing what is known so far about the effects of different program models on children.

The synthesis of results for children has produced a powerful central message: Programs that provide single-parent welfare recipients with earnings supplements have brought more consistent improvements in children's well-being than programs that have required single parents to participate in work-related activities without providing extra financial support. As these and other policies are debated, The Next Generation will continue to explore the implications for children of trade-offs that policymakers may face between goals such as increasing parents' employment levels, supplementing family incomes, improving child

care policies, time limiting welfare use, and reducing welfare caseloads or government costs.

**2) How do differences in family income affect child and family well-being?**

Because programs that provide earnings supplements have resulted in both increased employment and increased income for parents in the program, it can be difficult to rigorously disentangle which of the program's economic effects are responsible for any changes in child well-being. Researchers on this team will examine the relationships between policy changes, increases in family income, and the well-being of low-income children. These will include quantitative as well as qualitative investigations of how changes in income affect family and child well-being.

**3) How do differences in parental employment affect child outcomes?**

This group will examine how employment and job characteristics help to explain the effects of programs on parenting and on child outcomes. This will include an investigation of how parental employment may have different effects on children in early and middle childhood than on adolescents. In addition, this group will examine factors that affect whether parents become employed, and will conduct a qualitative analysis of transitions into employment by low-income workers.

**4) What are the mechanisms behind child care decisions in low-income families?**

Researchers will begin by describing the child care policies faced by program participants in several evaluation studies and the effects of different program models on patterns of child care use. They will also examine the cost of child care, families' use of child care subsidies, and other potential determinants of families' child care choices as precursors to understanding how child care choices affect child well-being.

The Next Generation is funded by The David and Lucile Packard Foundation, the William T. Grant Foundation, and the John D. and Catherine T. MacArthur Foundation. Researchers, policymakers, and others can be notified about Next Generation publications on these and other topics by going to www.mdrc.org/NextGeneration/ and signing up for The Next Generation electronic mailing list.

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the forum VOL. 4, NO. 1 MARCH 2001

RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# Three-City Findings Reveal Unexpected Diversity Among Welfare Leavers and Stayers

The well-being of children and their families in low-income, central-city neighborhoods is of particular concern to policymakers, social welfare professionals, researchers, and advocates. Welfare, Children, and Families: A Three-City Study, based at Johns Hopkins University, is designed to provide detailed information on how these families are faring in the wake of welfare reform. The project includes a repeated survey of about 2,400 children and their caregivers, all of whom reside in randomly-selected low-income neighborhoods in Boston, Chicago, and San Antonio; about 600 of the children are being observed in greater depth. In addition, approximately 230 of the families are participating in an ethnographic study.

The research is contributing to a nascent recognition that both the "leaver" population of adults who have recently exited the welfare rolls and the "stayer" population of those still on the rolls are more diverse than policymakers expected. It appears that some of the most job-ready *and* least job-ready recipients have left the rolls. Many women in the former group were able to leave welfare by finding employment. In contrast, many in the latter group seem to have left because their benefits were reduced or stopped through sanctions and case closings for noncompliance with program rules. To investigate these patterns further, the project is currently analyzing information on stayers from the survey and the ethnographic study.

## Major Focus is Child Development

The Three-City Study is a collaboration of researchers from several universities and includes developmental psychologists, economists, ethnographers, and sociologists to obtain a broad understanding of the lives of the family members being studied. (See box on collaborating investigators and institutions.)

Each city is in a different area of the country and has a different racial and ethnic mix. Welfare program rules also differ. Boston has a time limit of 24 months for Temporary Assistance to Needy Families (TANF) receipt in any 60-month period. Chicago has a five-year time limit unless the recipient is working at least 30 hours per week; those weeks do not count toward the time limit. San Antonio has time limits of one, two, or three years, depending on

## Note from the Director–Barbara B. Blum

For this issue of *the forum*, Andrew Cherlin and Robert Moffitt provide notes on the diversity of welfare leavers and the role of sanctions, drawing upon policy briefs from an important research project, *Welfare, Children, and Families: A Three-City Study*. The policy briefs and a report providing a detailed description of the study are available at the study's website: www.jhu.edu/~welfare.

In recent years, increasing concern has been expressed about the well-being of families who have left the Temporary Assistance to Needy Families (TANF) caseloads in large numbers. This study begins to help us understand the circumstances of persons who have left the rolls in many cities.

The study is being implemented by an impressive and collaborative group of researchers using carefully crafted surveys and applying multiple research methods. This rigorous design is already producing information germane to the reauthorization process for TANF.

## Collaborating Investigators and Institutions

*Principal Investigators:*

Ronald Angel, University of Texas at Austin
Linda Burton, Pennsylvania State University
P. Lindsay Chase-Lansdale, Northwestern University
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Constance Willard Williams, Brandeis University

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the recipient's education and experience. All three cities allow certain exceptions to these rules. (See box on welfare policies in the three cities.)

Because the focus is on low-income central-city neighborhoods, the participant sample overrepresents Hispanics and African-Americans, compared to the national TANF caseload. The survey sample is 47 percent Hispanic, 44 percent African-American, and 9 percent non-Hispanic White. The ethnographic sample has a similar distribution.

The study has three components:

1. *A longitudinal survey:* A random sample of about 2,400 children ages birth to four or 10 to 14 years and their caregivers (mothers over 90 percent of the time) in low-income neighborhoods in the three cities were interviewed between March and December of 1999. The response rate was 74 percent. Thirty-eight percent of the families were receiving TANF payments at the time of the interview; another 20 percent had received TANF in the previous two years. A distinguishing feature of this study, unlike many others, is its inclusion of low- and moderate-income families who have never been on either the pre-1996 Aid to Families with Dependent Children (AFDC) or the post-1996 TANF welfare programs (25 percent) or who last received payments from either program more than two years previously (18 percent). Questions were asked of both adults and children, and several detailed child assessments were collected. In September 2000, a second round of interviews with these families was begun, with fieldwork on the second round to be completed by April 2001.
2. *An embedded developmental study:* In order to improve the breadth and depth of the child evaluations, an embedded developmental study was undertaken with about 600 children ages two to four years in the survey sample. The study included videotaping and coding of children's self-regulation behaviors and of caregiver-child interactions and direct observations of child-care settings. It is being repeated in the second round.
3. *An ethnographic study:* Fieldworkers are studying an additional 230 families who reside in the same neighborhoods as the families in the survey. Forty-five of these families were specially selected to have children with disabilities. An additional number of families have adults with disabilities. Other fieldworkers are studying the neighborhood context of these families, including the public and private resources available to them. The families are being studied intensively for 12 to 18 months

## Welfare Policies in the Three Cities

### Boston—Massachusetts Aid to Families with Dependent Children

Massachusetts is operating under its U.S. Department of Health and Human Services (DHHS) waiver, which is approved through September 2005. The plan has a time limit of two out of every five years but relatively generous exemptions from those limits and fairly high cash benefits and income eligibility limits compared to the other two states.

Massachusetts imposes full-family sanctions (loss of a family's entire TANF grant) on a graduated basis. Initial failure to comply results in loss of the adult portion of the family's TANF grant. Subsequent failure to comply with work requirements for one month can result in a full-family sanction. Noncompliance with work requirements can also result in partial or full reduction of food stamp benefits. All benefits can be reinstated as soon as the individual comes into compliance.

### Chicago—Illinois Temporary Assistance to Needy Families

Illinois uses an approved plan with an official five-year lifetime time limit; but it pays benefits out of state funds for all months in which recipients work or go to school for more than 30 hours per week, effectively stopping the clock. The state has cash benefit levels and income eligibility limits between those of Massachusetts and Texas but has the most generous earnings disregards of the three.

Illinois imposes full-family sanctions on a graduated basis. Initial failure to comply with employment or child support enforcement results in a 50 percent reduction of the family's TANF grant until cooperation is evident. If the participant does not cooperate by the end of three months, a full-family sanction results. The second failure to comply results in a 50-percent reduction of the family's grant for a minimum of three months, with a full-family sanction if noncompliance continues beyond the three months. The third failure results in a full-family sanction, stopping TANF benefits completely for a minimum of three months. Noncompliance with work requirements can also result in partial reduction of food stamp benefits.

### San Antonio—Texas Achieving Change for Texans

Texas also is operating under DHHS waiver authority. Texas assigns one-, two-, or three-year time limits on the basis of employability, but had no lifetime limit at the time of a 1999 survey. (Since then, Texas has imposed the federal guideline of a five-year lifetime limit.) The one-, two-, and three-year time limits do not begin until the recipient is offered an opening in the state employment program. The state has fairly low cash benefit levels and income eligibility limits as well as the least generous earnings disregards of the three states.

Texas imposes only partial sanctions. The first failure to comply with work or child support enforcement results in a loss of the adult's portion of the TANF grant. The work sanction remains in place for one month or until compliance, whichever is longer. The second failure to comply results in loss of the adult portion for a minimum of three months for a work sanction. The third failure to comply results in loss of the adult portion for at least six months for a work sanction. Also, noncompliance with work requirements can result in full reduction of food stamp benefits.

through in-depth interviews and participant observation; they will then be recontacted every six months.

Much has been found about the outcomes of leavers in the three cities, defined as those who had been on welfare sometime in the prior two years but were not on welfare at the time of interview. As in most other leaver studies, the average employment rate of leavers in the three cities was relatively high, about 63 percent. But when Johns Hopkins researchers examined differences in outcomes for leavers by education, health status, and other variables, they found large differentials.

## Welfare Leavers Are Diverse Group

Regarding employment outcomes, for example, researchers found that 28 percent of leavers without a high school degree or equivalent (i.e., GED) had not been employed in the 12 months prior to interview, compared to only 13 percent of those with these degrees.

Similarly, 31 percent of those in poor or fair health had not been employed over the same period, compared to only 6 percent of those in good or excellent health. Differences in income and poverty status were also large. For example, the earnings of less-educated leavers were only one-half of those of more-educated leavers. The earnings of leavers in poor health were only one-half of those of leavers in better health. In both groups, the earnings of others in the household partly compensate for these differences.

The researchers also examined outcomes for leavers who had spent more time on welfare before leaving the rolls and might therefore be considered "dependent" on welfare. The women were called "dependency" leavers. The outcomes for dependency leavers were much worse than those for the average leaver. These results are consistent with emerging findings from other studies of the relative well-being of those who have left the rolls compared to those who have not.

For example, using Current Population Survey data, researchers at Johns Hopkins and the University of Baltimore recently found that the fraction of the TANF caseload composed of less-educated and less-skilled women has not risen since 1996—at least not after adjusting for the effects of the improving economy. These findings imply that exits from welfare have not been heavily from the better-off portion of the caseload, as most observers predicted.

These researchers speculate that this pattern may have two sources: (1) greater use of sanctions for noncompliance with program rules, which tend to be imposed on the worst-off families on welfare and remove many of them from the rolls; and (2) more generous earnings disregards, which tend to extend eligibility for benefits to some of the more employable, job-ready recipients and therefore keep them on the rolls.

## Leavers Can Be Better- or Worse-Off

Similarly, researchers at the University of Michigan have found in the Michigan Women's Employment Study that there are two kinds of leavers and two kinds of stayers—in each group there is a better-off group with heavy reliance on earnings and another group with little earnings. They found that the similarities between earnings-reliant women on and off welfare are greater than those between women on and off welfare, each taken as a whole; and, likewise, that there are both women on and off welfare who have multiple barriers to employment.

Another set of studies has been examining whether successive cohorts of leavers after 1996 have become steadily worse off, as would be expected if the better-off families were more likely to leave earlier. Although some studies have confirmed this expectation, on the whole the evidence is quite mixed, with some studies finding no difference over time.

## Rule Violations Lead to Sanctions, Exits

Researchers from the Three-City Study are also exploring the idea that sanctions and procedural case closings may help explain why some of the most disadvantaged families are leaving the TANF rolls. States have long been allowed to impose "partial sanctions," that is, to reduce the benefits paid to recipients who refuse to look for work or take a job, or who do not provide information on parents who might owe child support. In the early 1990s, some states received federal waivers that allowed them to impose "full-family sanctions," that is, to stop the benefits completely, if families fail to comply with program rules.

The 1996 welfare reform law allowed all states to implement full-family sanctions for noncompliance with work- or child-support-related rules. According to an estimate by the Center on Budget and Policy Priorities, three times as many families have left the rolls because they were sanctioned as have left because they reached a time limit. Moreover, welfare agencies can also close cases if they determine that a family has not complied with program rules. Many experts now believe that the threat of sanctions is an important reason why more welfare recipients are working and why caseloads have fallen.

In the Three-City Study, 17 percent of all caregivers in the survey sample who had received welfare in the previous two years reported that their benefits had been reduced or eliminated because the welfare office said they were not following the rules. Four percent had been fully sanctioned or had their cases closed. Thirteen percent had received a "partial sanction" that reduced but did not end their benefits. An unexpected finding was that the most common reasons for being penalized were not directly refusing to work or look for a job, but rather missing a meeting—usually with a caseworker—or failing to file required paperwork, such as earnings records.

**The conventional wisdom that leavers are composed only of the "better-off" welfare recipients is not correct. Rather, some of the "worst-off" families have left as well.**

### Distressed Families Have More Sanctions

Penalized parents, when compared to all other current or recent welfare recipients, showed more signs of distress. They had less education and poorer health. They reported lower monthly incomes and were more likely to have used food pantries and emergency clothing services and to have had times when they could not afford enough food. They were more likely to report substance use. Their housing was of poorer quality, and they were more likely to live in neighborhoods with abandoned houses, assaults and muggings, gangs, and open drug dealing.

Moreover, only 36 percent of the parents who said they left welfare because of a penalty were employed at the time of the interview, compared to 67 percent of parents who left welfare for other reasons, such as reaching a time limit or increased income.

To be sure, some families may not have experienced increased hardship. In the study, about half were able to get their benefits back, and about a third were working when interviewed. Nevertheless, in these three cities, sanctions and related case closings were clustered among families that, on average, were more vulnerable than other welfare families. Some of the penalized parents had daily lives filled with complex family obligations, challenging work responsibilities, and personal turmoil. They often lacked the resources to navigate program rules.

### Leavers Often Less Educated

These findings are consistent with a number of other studies. Researchers at the Urban Institute, for example, in a review of leaver studies, found that sanctioned leavers had lower employment rates than other leavers. In a review of several studies across states, the federal government found that sanctioned families had lower levels of education and less work experience, were more likely to be long-term recipients, and had more barriers to work. A group at the University of Michigan found that being sanctioned was correlated with family care problems, mental health problems, and less education. The Three-City Study findings are consistent with these findings but provide more detail on the reasons for being sanctioned.

The initial findings from the Three-City Study provide some new perspectives on the welfare reform debate. The findings on welfare leavers, for example, suggest that the conventional wisdom that leavers are composed only of the "better-off" welfare recipients is not correct. Rather, some of the "worst-off" families have left as well. Thus, if policymakers wish to address the problems of the most disadvantaged families, they must consider families off the rolls as well as those still on.

These findings are consistent with a number of other emerging findings suggesting that leavers and stayers are both heterogeneous and diverse, and that there are both better-off and worse-off families in both groups. Currently, a study of "stayers" is underway that will supplement the Three-City survey of leavers and will provide further information on this issue.

### Noncompliant Families Need More Help

Other findings in the Three-City Study suggest that sanctions and case closings for noncompliance may be an important mechanism for removing some of the most disadvantaged families from the rolls. Penalties for missing a meeting or failing to file paperwork were much more common than penalties for directly refusing to work. These findings suggest that penalties for lack of compliance with program rules sometimes indicate broader difficulties that a recipient may have in managing the joint tasks of raising a family, maintaining a household, and participating in the work force. One policy implication is that welfare departments could use instances of noncompliance as ways to help identify clients who face greater challenges of this kind. Such families might benefit from more careful attention or immediate intervention. If penalties are imposed, some of the more vulnerable families might require greater assistance in returning to compliance.

The Three-City Study promises rich, detailed information on caregivers and children in low-income families in three large cities in the wake of welfare reform. The analysis of the data has just begun. More findings from the first wave of interviews will be issued over the next several months, followed by findings from the longitudinal data furnished by the second wave. Findings from the ethnographic and embedded child development study are also forthcoming. Future reports should provide important information for the debates and discussions about the reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act in 2002.



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## Selected Research Projects with Findings on Welfare Leavers and Sanctions

NOTE: The following projects have been referenced in this newsletter. Publications for these and other projects may be found in the Key Topics Section of the Research Forum Web site, www.researchforum.org/cfm/keytopics.cfm. Detailed summaries for projects marked with "*" are found in the Research Forum database on the Web site.

**Changing Caseloads: Macro Influences and Micro Composition**

**Evaluator** Johns Hopkins University

**Recent Publication** Moffitt, Robert & Stevens, David. *Changing Caseloads: Macro Influences and Micro Composition.* Johns Hopkins University (February 2001)

**Barriers to Employment of Welfare Recipients: Women's Employment Study***

**Evaluator** University of Michigan, School of Social Work

**Recent Publications** Danziger, Sheldon. *Approaching the Limit: Early Lessons from Welfare Reform.* Poverty Research and Training Center, University of Michigan (December 2000)

Kalil, Ariel & Seefelt, Kristin S. Economic Hardship Among Sanctioned TANF Recipients. Mimeograph (November 2000)

**Wisconsin Leavers Project***

**Evaluators** Institute for Research on Poverty
Wisconsin Department of Workforce Development

**Recent Publication** Cancian, Maria; Haveman, Robert; Meyer, Daniel; and Wolfe, Barbara. *Before and After TANF: The Economic Well-Being of Women Leaving Welfare* (Special Report No. 77). Institute for Research on Poverty, University of Wisconsin-Madison (May 2000)

**Cross-State Examination of Families Leaving Welfare**

**Evaluator** U. S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation

**Recent Publication** Isaacs, Julie B. & Lyon, Matthew R. A Cross-State Examination of Families Leaving Welfare: Findings from the ASPE-Funded Leaver Studies. Paper presented at the NAWRS Workshop, Scottsdale, Arizona, August 2000 (Revised November 2000)

**Assessing the New Federalism: Policy Analysis Project***

**Evaluator** The Urban Institute

**Recent Publications** Brauner, Sarah & Loprest, Pamela. *Where Are They Now? What States' Studies of People Who Left Welfare Tell Us* (TANF Paper Series A, No. A-32). The Urban Institute (1999)

Zedlewski, Shelia R., & Loprest, Pamela. How Well Does TANF Fit the Needs of the Most Disadvantages Families? Paper presented at the New World of Welfare Conference, Washington, DC (January 2001)

**Welfare Reform: State Sanction Policies and Number of Families Affected**

**Evaluator** U.S. General Accounting Office

**Recent Publication** U.S. General Accounting Office. *Welfare Reform: State Sanction Policies and Number of Families Affected.* Government Printing Office (March 2000)


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## Research Forum on Children, Families, and the New Federalism

The Research Forum, an initiative of the National Center for Children in Poverty, hosted at the Mailman School of Public Health, Columbia University, encourages collaborative research and informed policy on welfare reform and vulnerable populations. The Research Forum's ultimate goal is to identify and promote strategies that protect and enhance the well-being of poor children and their families.


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# Why Some Women Fail to Achieve Economic Security

## *Low Job Skills and Mental Health Problems Are Key Barriers*

**Women who have multiple barriers to obtaining and holding employment will be the least likely to obtain economic self-sufficiency under the new welfare regime begun by the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). This is the major conclusion of a University of Michigan multi-disciplinary research team—including sociologists, economists, social workers, psychiatric epidemiologists, developmental psychologists, public health researchers, public policy analysts—that, for five years, has been fielding and analyzing the Women's Employment Study (WES), an in-household panel survey of women who were welfare recipients in an urban county in Michigan in February 1997.**

The study team, led by Sandra Danziger, associate professor of Social Work and director of the Michigan Program on Poverty and Social Welfare Policy at the University of Michigan, had very high response rates for its three waves of data to date. (See box on page 3.) A fourth wave is planned for fall 2001.

### Mental and Physical Problems Prevalent

Welfare recipients, in general, have many more barriers to employment than the general population. The WES is one of the few current studies that measures a very comprehensive set of potential barriers to employment among welfare recipients, says Dr. Danziger. These measures encompass a range of domains that prior research has shown can negatively affect employment. These include:

- **Human capital and other work-related variables**—less than a high school education; low work experience; knowledge of few workplace norms, such as regarding lateness and absenteeism; minimal job skills; perceived discrimination on prior jobs; learning disability; low literacy;
- **Psychiatric disorders or substance dependence within the past year**—such as Generalized Anxiety Disorder; social phobia; major depressive disorder; Post-Traumatic Stress Disorder (PTSD); drug dependence; alcohol dependence;
- **Physical health problems**—maternal health problems; child with health problems;
- **Other barriers**—domestic violence; transportation problems; child care problems; criminal convictions.

### Note from the Director–Barbara B. Blum

This issue of *the forum* draws upon an elegantly designed study to monitor the experience of participants in the TANF program that Michigan implemented in 1996. Dr. Sandra Danziger describes the multiple barriers that a significant number of participants face in their search for employment and the inadequacy of services to ameliorate these barriers. Noteworthy are the carefully crafted measures used to survey participants and the high response rates achieved over the duration of this longitudinal study.

In 1997, WES respondents, compared to national samples of women, were much more likely to be without a high school diploma, have a transportation problem, meet the diagnostic screening criteria for a major depressive episode and/or Generalized Anxiety Disorder, have a child with a health problem, and have recent experience with severe domestic violence. However, WES respondents were no more likely to report drug or alcohol abuse. On other measures, comparable national estimates are not available. (See table below.)

| Barriers to employment | Percent of women in | |
|---|---|---|
| | Womens Employment Study | National surveys |
| No high school diploma | 31.4% | 12.7% |
| Transportation problem | 47.1% | 7.6% |
| Major depressive episode | 25.4% | 12.9% |
| Generalized Anxiety Disorder | 7.3% | 4.3% |
| Child with health problem | 22.1% | 15.7% |
| Recent severe domestic violence | 14.9% | 3.2–3.4% |
| Drug abuse | 3.3% | 1.9% |
| Alcohol abuse | 2.7% | 3.7% |

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Over time, the proportion of the total WES sample reporting these various barriers has declined slightly on several measures. However, the prevalence of many of these barriers is much higher for sample members who were still receiving Temporary Assistance for Needy Families (TANF)—the block grant program to the states that replaced Aid to Families with Dependent Children—in 1999 (176 women) compared to those who had left TANF for work (310 women) and somewhat higher than those who were off TANF and not working (108 women). This latter group is composed of women who tend to be married or living with a partner or living in someone else's household, who are between welfare spells or between jobs, or who left welfare due to sanctions or other reasons. For example, less than one in five respondents working and not on TANF by fall 1999 report a transportation problem, whereas almost one of every two respondents on TANF have this problem.

## Multiple Barriers Create Job Hardships

Although a number of studies examine the prevalence of these various barriers, the Women's Employment Study is one of the few to provide information on the impact of barriers on employment and the co-occurrence of various barriers. Multivariate analyses of 1997 WES data showed that lack of a high school degree, little work experience, having few job skills, perceptions of discrimination, having a transportation problem, meeting the diagnostic screening criteria for depression, and having a maternal or child health problem significantly reduced the likelihood that a respondent was employed part-time or more. However, more recent data indicate that the presence of multiple barriers may also affect the likelihood of securing and retaining employment. Respondents with three or fewer barriers to employment in 1999 (68.8 percent of the sample) worked on average in at least three-quarters or more of the months between 1998 and 1999. Those with four or more barriers worked on average in less than three-fifths of the months.

Multiple barriers are also associated with longer stays on TANF. Approximately one-fifth of the 151 women respondents who received TANF in ten or less of the 41 months for which administrative data are available (February 1997–June, 2000) had four or more barriers to employment in any of the interview years—1997, 1998, or 1999. There is not much difference between this group and the 177 respondents who received TANF in 11 to 20 of the 41 months. However, women on TANF for greater proportions of time were much more likely to have four or more barriers. Just over a third of 130 women respondents who received TANF in 21 to 30 of the 41 months and more than half of the 151 study women receiving TANF in nearly all the months (31 or more) had four or more potential barriers to employment.

The question of which problems tend to co-occur is not easy to answer. The most common type of problem faced by WES respondents in 1997 and 1999, regardless of TANF or employment status, is having mental health problems, defined as meeting the screening criteria for one or more psychiatric disorders, although not substance dependence. Analyses of 1997 data show that just under a fifth of the WES sample had a mental health barrier only, and slightly more than half of those with a mental health barrier had no other barriers. Physical health problems and substance dependence co-occurred with other types of barriers more often, but no clear patterns emerge in terms of which barriers. For example, 7.1 percent of the sample had physical health and mental health problems, 2.1 percent had physical health problems coupled with human capital deficiencies, and 2 percent had all three. These finding underscore the heterogeneity of the welfare caseload.

## Pace of Leaving Welfare Slowing

When the researchers examine welfare and work status at the time of each wave of the survey, they find increasing work reliance and decreasing welfare use for the sample as a whole. However, the movement toward wage reliance and leaving welfare seems to have been slower between waves two and three than between waves one and two. The percentage of respondents who were wage reliant (i.e., were working and not receiving TANF) increased from about 20 to about 44 percent between waves one and two, but only to 52 percent at wave three. The percentage of women who worked in any month increased from about 40 percent in February 1997 to about 70 percent in fall 1998 and did not change much between fall 1998 and fall 1999. This suggests the need to carefully evaluate the work trajectories of current and former welfare recipients over the entire post-PRWORA period.

The welfare-reliant represent a key unresolved policy problem for the new welfare regime. These women tend to have multiple barriers; they have high rates of many of the problems researchers measure—about half lack a high school degree, 36 percent have performed four or fewer (out of nine) job skills, 44 percent have physical health problems. They also have high rates of learning disabilities, low literacy, and mental health problems. If they have not managed to find steady work during three years of this booming economy, in a context where state agencies are pressuring them to leave welfare, they are unlikely to be able to become self-supporting before they reach the five-year federal time limit.

These women need access to a wide range of treatment services for their problems and/or access to some sort of supported work environment. The proportion that this high-risk multiple barrier group makes up in any state's caseload could exceed the 20 percent that states are allowed to exempt from time limits under PRWORA.

**The proportion that this high-risk multiple barrier group makes up in any state's caseload could exceed the 20 percent that states are allowed to exempt from time limits under PRWORA.**

### Welfare Services Insufficient to Meet Job Goals

The WES research team also evaluated the implementation of Michigan's welfare-to-work programs and concluded that the services provided do not address the needs of jobless recipients with the greatest barriers to employment. Most local agencies offer unemployed TANF recipients job search readiness activities, such as resume writing and mock interviews, and/or job search experiences, such as bringing employers on site for interviews. Many managers report that their jobless clients have the kinds of skill deficits and personal problems documented in WES, but these needs are not addressed within the rapid employment approach that is the main welfare-to-work model across the country. Managers explained that they would like to have the flexibility to provide a wider range of screening, assessment, and referral services and to have more time to work with the most disadvantaged recipients.

For example, there is no systematic assessment of a recipient's personal problems or mechanism referring her to treatment or other services. In fact, a program might sanction a recipient who seems uncooperative or to have a bad attitude, when she might actually be clinically depressed. A few states have developed programs that identify a wide range of problems and provide mental health, substance abuse, and other counseling/treatment services. However, a review of programs in other states reveals that the complex needs of most welfare stayers with multiple barriers are not being met.

### Low-Income Women Face Persistent Hardship

Many of the women in the WES study experienced persistent material hardship. For example, in fall 1999, 8.5 percent of wage-reliant mothers and 8.1 percent of combiners reported a utility shutoff in the past year, as did 9 percent of the welfare reliant and 11 percent of those who neither worked nor received welfare. Almost 5 percent of wage-reliant mothers and 11.6 percent of combiners had been evicted, as had 12.8 percent of the welfare reliant and 11 percent of those neither working nor receiving welfare. Among the wage-reliant mothers, 21.6 percent reported receiving food, shelter, or clothing from a charity; 34 percent of the combiners received such assistance; 60 percent of the welfare-reliant mothers and 38.5 percent of those neither working nor receiving welfare reported receiving such assistance.

The Women's Employment Study, along with other studies, has assessed the complicated ways in which the 1996 welfare reform legislation has affected the work effort and well-being of single mothers and their families, how it has changed the nature and operation of welfare agencies and the overall effectiveness of the social safety net, and how policies within and outside of welfare have been modified in an attempt to both make work pay and remake the welfare system. "It is clear that, as of early 2001, the states have ended welfare as we knew it," concludes Dr. Danziger, "but they lack policies that provide sufficient income supplements for the working poor. Moreover, there are very few work-for-welfare options of last resort for single mothers reaching time limits, and few services for those women, as our study has documented, with multiple barriers that keep them from getting and keeping jobs," she adds. These issues are particularly important to address as the reauthorization of PRWORA draws near.

### About the Women's Employment Study

The household survey used in the Women's Employment Study (WES) conducted by the University of Michigan is unique in the amount and quality of information that it gathers. The survey instrument contains measures from a number of highly reliable sources, ranging from the typical labor market and income questions included in the Current Population Survey and Panel Study of Income Dynamics, to measures of mental health problems and drug and alcohol dependence from the Composite International Diagnostic Interview (based on the Diagnostic and Statistical Manual III-R and derived from the National Co-Morbidity Survey, the first study to administer a structured psychiatric interview on a national sample), to measures of maternal and child health and well-being from other national surveys.

The study boasts very high response rates for its three waves of data to date: 753 women (86 percent of those contacted) were interviewed in fall 1997; 691 (93 percent of the wave one sample) were interviewed in fall 1998; and 632 women (91 percent of those in the previous wave) were interviewed in fall 1999. A fourth wave of the study will be conducted in fall 2001.

Danziger's co-principal investigators on the study include: Mary Corcoran, Sheldon Danziger, Ariel Kalil, Kristin Seefeldt, Kristine Siefert, and Richard Tolman.

The study is funded by the Joyce Foundation, Charles Stewart Mott Foundation, The John T. and Catherine D. MacArthur Foundation, National Institute of Mental Health, U.S. Department of Health and Human Services, U.S. Department of Housing and Urban Development, U.S. Department of Agriculture, The Robert Wood Johnson Foundation, Ford Foundation, and Office of the Vice-President for Research of the University of Michigan.

## Research Forum on Children, Families, and the New Federalism

The Research Forum, an initiative of the National Center for Children in Poverty, hosted at the Mailman School of Public Health, Columbia University, encourages collaborative research and informed policy on welfare reform and vulnerable populations. The Research Forum's ultimate goal is to identify and promote strategies that protect and enhance the well-being of poor children and their families.


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the forum VOL. 4, NO. 3 NOVEMBER 2001
RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# Advocacy and Research: A Reciprocal Relationship

## *Project Reveals Usefulness of Research and Potential New Role for Advocates*

*by Sharmila Lawrence*

***How can current research on the effects of welfare reform be made more accessible to advocates? What contribution can advocates make to the formulation of new research questions?***

These are key questions that the Research Forum's Advocacy Initiative seeks to address. One of the functions of the Research Forum has been to serve the policy community by encouraging dialogue between researchers and policymakers to ensure the incorporation of quality research into the policymaking process. Without sound research, policy decisions may be unduly influenced by ideological beliefs. Ensuring the dissemination of quality research to policymakers can serve to narrow ideological differences and facilitate agreement on particular policies.

While the Research Forum has worked with researchers and policymakers in the past on promoting the exchange of information contained in its research database, less has been done to reach the advocacy community. Advocates play a key role in influencing the formulation of social policy. In addition, advocating for sound policies is enhanced by access to good quality research. For this reason, the Research Forum began the Advocacy Initiative in July 2000.

The Forum's research database, developed to provide information on current research projects focused on income security, child and family well-being, and community issues has accumulated research findings that could inform the work of the advocacy community and shape its agendas for poor children and families.

The Research Forum is interested in finding ways to ensure that the database can be utilized more effectively by advocates and practitioners as the debate over reauthorization of current welfare laws, including Temporary Assistance for Needy Families (TANF), food stamps, and the Child Care and Development Fund Block Grant (CCDB), draws nearer. In addition, current issues that advocates encounter in their work could serve to guide the next generation of research.

The goals of the Advocacy Initiative are to:

- Introduce advocates to the Research Forum and the database as a reliable source of information for advocacy efforts.
- Find out from advocates the issues that they are most concerned about in relation to reauthorization of welfare legislation.
- Explore whether current research findings suggest any policy recommendations.
- Examine how Research Forum publications and information in the database can be repackaged and disseminated in a way that would be more useful for advocates.
- Draw on the experience of advocates to identify research questions that are not adequately addressed by past and current studies.

The initiative provides support for work at both the national and state levels. To ensure that the project is properly structured and targeted, four states were initially selected—New York and California because of their size and diversity, Arkansas and Ohio based on the strengths of their advocacy communities.

In the first phase of the project, meetings were held with advocate groups in each of the four states between February and June 2001. The groups, selected in consultation with core state and national contacts, focus on issues of income security and family functioning, are effective in the legislative arena, and work at either the state or federal level on TANF and social welfare statutes.

### Note from the Director–Barbara B. Blum

This issue describes an important project funded by the David and Lucile Packard Foundation at the Research Forum. The Advocacy Initiative has served to highlight some of the key research needs of advocates that researchers need to be aware of and the importance of state- and county-level data for advocacy efforts. But it also helped us see that in some cases the problem is a lack of knowledge on the part of advocates about existing research. It makes apparent the need for more dialogue between advocates and researchers.

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The goal of each meeting was to determine how research findings could be most usefully presented to support advocacy issues and to identify other research questions that still need to be addressed. Prior to the meetings, a survey was circulated among invitees in each state to determine the policy issues that advocate groups were most concerned about in relation to reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)—the 1996 law that created TANF and consolidated or replaced earlier federal welfare programs. The survey responses were then tabulated and summarized and used to guide the reauthorization discussion in each state meeting (see table pages 4-5).

During the meetings, time was also reserved to demonstrate the Research Forum's Web site and database and to develop recommendations for the future. The summaries of survey responses presented in the table only represent the opinions of those groups that were invited to the meetings; there may be other issues and concerns of advocates within each state that are not reflected here.

## Advocates Concur on Research Needs

Advocates in the four states cited many of the same research needs. Most differences between states centered on which elements of PRWORA concerned advocates the most. In California, advocates worried about the effects of time limits, sanctions, and work requirements. They felt strongly that those abiding by the rules should not be subject to time limits and that education and training should be counted as work. In both New York and Ohio, advocates were more concerned about increasing availability and access to Medicaid, child care, and food stamps for low-income families. In Ohio, advocates spoke particularly about their perceptions of an extreme use of sanctions, while in Arkansas, advocates raised concerns about sanctions, child care, and food stamps. The Arkansas advocates were especially worried about the use of full family sanctions in their state given the already low cash benefit level. They stressed the importance of ensuring access to high-quality continuous child care for working families.

In terms of general research needs, advocates emphasized the lack of state and county level data—the type of research information to which state and local policymakers are more likely to respond. Some advocates also felt they lacked knowledge of which research is methodologically sound and requested more secondary analysis of research. Advocates also expressed concern about potential bias in the way research findings are being presented by organizations to the media and stakeholders and the general focus on caseload reduction as an indicator of success.

Regarding how research findings are presented in the Research Forum database, advocates recommended the addition of short, concise, one-page documents. They suggested incorporating a section on policy options in relevant Research Forum project summaries.

Advocates identified the following specific issues that require more research and analysis:

- Enrollment and access problems related to Medicaid, SCHIP (State Child Health Insurance Program), and food stamps
- Income changes of leavers over time
- County studies that pay particular attention to mental health and substance abuse services to highlight variation
- Immigrants and the effects of immigrant policies on child poverty
- Domestic violence among diverse welfare populations
- Vulnerable populations and individuals with multiple barriers to employment
- Characteristics of long-term welfare recipients
- Children in foster care and the effect time limits have had on the child welfare system
- The use of emergency food pantries instead of food stamp enrollment as an indicator of hunger and nutrition problems for low-income families
- Whether education and training compared to a work-first strategy would result in congruency between training and job opportunities
- Family day care providers among TANF recipients and the working poor
- The connections between those who are incarcerated and TANF populations
- Fatherhood and marriage among low-income individuals
- The impact of time limits on nonprofit and faith-based organizations that are expected to provide services
- How TANF dollars are being used at the state and county level
- The impact of an increase in the minimum wage on the demand for support services
- Race and gender differences in research studies

Advocates had many general recommendations for Research Forum staff and researchers. They requested more community-generated research and smaller-scale studies that reveal neighborhood effects. Advocates also emphasized the need to bridge the gap between researchers and community-based organizations, and they suggested the use of community representatives to shape research questions. They felt that community-based organizations, given their proximity to the populations they serve, may be able to identify new implementation and demographic challenges before they become apparent to researchers. They also recommended using focus groups made up of community representatives to test how research findings relate to on-the-ground experiences. Lastly, advocates voiced their need for consolidated findings on key reauthorization issues.

**Advocates emphasized the need to bridge the gap between researchers and community-based organizations and suggested the use of community representatives in shaping research questions.**

## Useful Current and Future Resources

While much research has been done on several of the issues advocates raise, it is clear that more effective dissemination of this research is required. There are many current and upcoming research resources that could be useful for advocates. To help advocacy groups, Research Forum staff have developed one-page summaries of findings on key welfare research topics that are now available on the Research Forum's Web site: <www.researchforum.org>. The summaries provide consolidated findings on a range of key issues, including financial incentives, sanctions, time limits, child care, immigrants, and housing.

The Research Forum database also contains several studies that address some of the research needs of advocates. On the issue of multiple barriers and vulnerable populations, a study team led by Dr. Sandra Danziger at the University of Michigan Program on Poverty and Social Welfare Policy has been fielding and analyzing the Women's Employment Study (WES). The study measures a comprehensive set of potential barriers to employment among welfare recipients through the use of an in-household panel survey of women who were welfare recipients in an urban county in Michigan in February 1997.

The research team examined potential barriers such as lack of a high school diploma; psychiatric disorders or substance dependence; maternal or child health problems; domestic violence; transportation problems; child care problems; and criminal convictions. The August 2001 issue of *the forum* discusses findings from this study. The study raises important questions about how best to serve those with multiple barriers and whether they can be accommodated within the 20 percent of the caseload that a state is permitted to exempt from time limits under PRWORA.

The Three-City Study based at Johns Hopkins University examines how families that have left welfare are faring in the wake of welfare reform. The study focuses on families in randomly-selected low-income neighborhoods in Boston, Chicago, and San Antonio. It provides new evidence about the characteristics and diversity of both welfare leavers and those that are still on the rolls. Recent findings from the study are presented in the March 2001 issue of *the forum*. The study raises important questions about the types of interventions needed to help more vulnerable families who may be sanctioned.

The National Evaluation of Welfare-to-Work Strategies (NEWWS) study, conducted by Manpower Demonstration Research Corporation (MDRC), examines the effectiveness of various types of welfare-to-work services including job search, work experience, and education and training services on employment stability and earnings growth. The study also examines family relationship outcomes, such as domestic violence, and contains a Child Outcomes Study as part of the larger evaluation. The sample includes over 50,000 welfare applicants and recipients in seven sites: Atlanta, Grand Rapids, Riverside, Detroit, Portland, Oklahoma City, and Columbus. The study recently released five-year findings that are available on the Research Forum Web site. The study provides important information about the types of interventions that can help recipients increase earnings and employment stability over time.

The U.S. Department of Health and Human Services is funding two studies being undertaken by MDRC that could be of interest for advocates. The Employment Retention and Advancement (ERA) Project will examine what approaches are effective in improving job retention and advancement among TANF recipients. The Enhanced Services for the Hard-to-Employ Demonstration and Evaluation Project will examine different approaches and challenges to promoting employment among the hard-to-employ.

Lastly, the Robert Wood Johnson Foundation in cooperation with the U.S. Department of Health and Human Services is undertaking a project to examine what the major barriers are to participation in Medicaid, SCHIP, and the federal Food Stamp Program and how to overcome these barriers. The project will help 12–14 states create and analyze performance data on how their Medicaid, SCHIP, and food stamp enrollments and reapplications are functioning.

## Dialogue Between Researchers and Advocates is Encouraged

The Advocacy Initiative has highlighted some of the key research needs of advocates and the importance of state- and county-level data for their advocacy efforts. But it also demonstrates that sometimes advocates lack knowledge about existing research and its implications. The project exposes the gap between the producers and consumers of research knowledge. It makes apparent the need for more dialogue between advocates and researchers not only on future research agendas but also on identifying and framing existing research in ways that could help to inform policy decisions. This is crucial in preparing for welfare reauthorization and beyond.

## Advocates Policy Concerns in Four States

The following profiles represent the opinions of advocates who responded to a survey about policy issues related to current welfare laws. The survey was circulated among invitees prior to the Research Forum's Advocacy Initiative meetings held between February and June 2001 in the states of Arkansas, California, New York, and Ohio.

### ARKANSAS

**Advocates were most concerned about the following elements of PRWORA:**

1. Sanctions:
   - Arkansas' low cash benefit level, causing any change from individual to full-family sanctions to have a huge impact
   - Effects of full- and partial-family sanctions on children
   - Uneven and arbitrary application of sanctions
   - Insufficient tools and services to help families comply with sanctions
2. Child Care:
   - Length of time families should be able to receive child care after beginning work
   - Fear of child care benefits being reduced by Arkansas Department of Human Services
   - Insufficient quality of child care in rural areas
3. Food Stamps:
   - Need for policies and procedures to ensure that families leaving TANF continue to receive food stamps

**Advocates were most concerned about elements of the following family support programs:**

1. Transportation:
   - Lack of access and availability, especially in rural areas significantly impedes self-sufficiency
2. Health Benefits:
   - Little state or national focus on addressing affordability of and access to adequate health care
3. Child Care:
   - Not enough money to match need
   - Only 10 percent of state child care centers are quality approved

**Areas in which advocates are most interested in increasing state/budget fiscal resources:**

1. Child Care
2. Education and training
3. State earned income tax credit program

**Issues that advocates consider most problematic or difficult to gain support for in Arkansas:**

1. Child care vouchers
2. Local transportation subsidies
3. Expanding time limits to beyond five years (Arkansas has adopted a 24-month time limit)
4. Reducing sanctions
5. Initiatives requiring increased funding

### CALIFORNIA

**Advocates were most concerned about the following elements of PRWORA:**

1. Time Limits:
   - Those "playing by rules" not exempt from time limits
   - Income needed for working poor after time limit exceeded
   - No notice of months left before time limits take effect
   - Insufficient time for those with multiple barriers/ failure to use exemptions and/or disabilities accommodations to achieve self-sufficiency
2. Sanctions:
   - Applied to those with barriers who may have limited capacity to comply
   - Future threat of 'full-family' sanctions (not currently permitted in California)
3. Work Requirements:
   - Higher education not counted as a work activity
   - Failure to consider needs for training and wage progression jobs
   - Bias against education and training

**Advocates were most concerned about elements of the following family support programs:**

1. Housing:
   - Increasing rental costs
   - Families paying over 50 percent of their income on housing because of affordable housing scarcity
2. Education and training:
   - Lack of referrals; lack of quality; contractors referring participants to programs where the contractors receive money for placement instead of making referrals to programs with the best outcomes
   - Emphasis on 'work-first' approach in welfare-to-work program at expense of education and training and skill development
3. Child care:
   - Limited subsidized child care for working poor

**Areas in which advocates are most interested in increasing state budget/fiscal resources:**

1. State earned income tax credit program
2. Child care
3. Housing

**Issues that advocates consider most problematic or difficult to gain support for in California:**

1. Stopping the clock on time limits and expanding exemptions
2. Shifting resources to support services to address multiple barriers faced by the remaining caseload in moving into employment that pays a living wage

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## NEW YORK

**Advocates were most concerned about the following elements of PRWORA:**

1. Medicaid, Child Care, and Food Stamps:
   - Failure to make these critical benefits available in a seamless way without reapplication and hurdles of paperwork
   - Limited access to benefits
   - Insufficient quality child care opportunities
   - Undue emphasis on keeping people off public assistance
2. Sanctions:
   - Insufficient data on who is being sanctioned, why, and for how long
   - Need for mechanisms for the state to assist families to overcome sanctions
3. Time limits:
   - Failure to stop the clock as often as possible when TANF recipients work, go to school, engage in training, or care for young child
   - Need separate Maintenance of Effort (MOE) program to provide assistance in order to stop the clock when recipients are engaged in work-related activities
   - Low level of caseload exemptions

**Advocates were most concerned about elements of the following family support programs:**

1. Child Care:
   - Unmet need for child care for families who have left welfare
   - Insufficient quality affordable child care to maintain employment
2. Health Benefits:
   - Insufficient access to CHIP enrollment and outreach to uninsured
   - Limited knowledge and access to services for eligible families who have left the welfare rolls for services they need in order to maintain employment
3. Housing:
   - Shelter populations will remain constant or increase if New York's affordable housing crisis continues
   - Rent subsidies needed for families that may be working but are still unable to afford market rents

**Areas in which advocates are most interested in increasing state budget/fiscal resources:**

1. Child care
2. Health benefits
3. Minimum wage

**Issues that advocates consider most problematic or difficult to gain support for in New York:**

1. A balanced work/training approach since New York's welfare reform has emphasized work first
2. Advocating for continuing or increasing the TANF block grant during reauthorization given New York's history of supplantation

## OHIO

**Advocates were most concerned about the following elements of PRWORA:**

1. Medicaid, Child Care, and Food Stamps:
   - Insufficient access to health insurance for poor children
   - People not getting the Medicaid and child care benefits they are entitled to
   - Ensuring that families transitioning off cash assistance have access to food stamps and other noncash assistance programs
2. Sanctions
   - Sanctions are extreme and often wrongly administered
3. Domestic Violence:
   - Need for providers to understand and account for domestic violence and lack of options for welfare recipients
   - Implementing the domestic violence provisions of TANF

**Advocates were most concerned about elements of the following family support programs:**

1. Health Benefits, Child Care, and Housing:
   - Need for health care, child care, transportation, and affordable housing to get people into long-term employment
   - Sufficient access and eligibility levels and ability to secure benefits
2. Earned Income Tax Credit:
   - Refundable state tax programs can make up for the gaps in support services by providing needed income
3. Services for working-poor families:
   - Reduced revenue forecasts/budget constraints will make it difficult to get support for programs for working families to assist them in moving up the economic ladder
   - Need for a continuum of services equally available to all

**Areas in which advocates are most interested in increasing state/budget fiscal resources:**

1. Health benefits
2. State earned income tax credit program
3. Child care

**Issues that advocates consider most problematic or difficult to gain support for in Ohio:**

1. Programs that help low-income working families
2. Failure to utilize all TANF funds
3. Changing provisions for time limits or full-family sanctions
4. Identifying and remedying problems of county devolution

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### Key Topic Summaries: A New Research Forum Web site Feature

The Research Forum has developed one-page summaries of findings on key topics. These summaries are available online at: **www.researchforum.org** under **Key Topics**. The following is a list of the key topic pages:

- National Overview
- Reauthorization
- Welfare Caseload Characteristics
- Food Stamps Caseload Characteristics
- Medicaid Caseload Characteristics
- Financial Incentives
- Work Requirements
- Sanctions
- Time Limits
- Job Retention
- Welfare-to-Work
- Child Outcomes, Child Welfare, and Child Support
- Child Care
- Marriage, Out-of-Wedlock Births, Fatherhood
- Immigrants
- Rural Issues

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RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# Lack of Appropriate Research Leads to Gaps in Knowledge About Children in Immigrant Families

Children in immigrant families are the fastest growing population of children in the United States, and they are leading the way toward the creation of a new American majority made up of current racial and ethnic minorities, says Donald J. Hernandez, a professor in the Department of Sociology and the Center for Social and Demographic Analysis at the State University of New York at Albany. Thus, he points out, "the circumstances and prospects of these children are enormously important to understand." Few large-scale studies, however, have been undertaken to examine this population.

The Board on Children, Youth, and Families of the National Research Council and Institute of Medicine recently sought to draw attention to these children by convening a Committee on the Health and Adjustment of Immigrant Children and Families to consider several questions about children in immigrant families:

- Why should the nation focus attention on these children?
- What are their countries of origin, and where are they concentrated in the United States?
- How do they fare compared to children in native-born families along major socioeconomic risk factors, especially poverty?
- How does welfare reform specifically impact these children?
- How is their physical health, mental health, and school adjustment?
- What major new research initiatives need to be designed, developed, and pursued?
- What key issues need to be addressed in future research about these children?

To examine this population, the committee distinguishes three generations of children under age 18: ***first generation*** children born in a foreign country; ***second generation*** children born in the United States, but with one or both parents born in a foreign country; and ***third- and later-generation*** children born in the United States to parents who were both born in the United States—referred to as native-born families. Taken together, the first and second generations constitute the children who live in immigrant families.

## Growing Importance of Children in Immigrant Families

One of every five children under age 18 living in the United States in 1997—14 million children—were children of immigrants, with one or both parents foreign born. Between 1990 and 1997, the number of children in immigrant families grew by 47 percent, compared to only 7 percent for children in U.S.-born families. "When 2000 census data become available," predicts Dr. Hernandez, who directed the committee's study, "they will show that these numbers have grown still larger." Preliminary data already indicate that immigration rates, especially from Asia and Latin America, continued to rise during the 1990's.

By 1990, about one-half of children in immigrant families were of Hispanic origin and about one-fourth were Asian, contributing greatly to the increasing diversity of the U.S. child and youth population. According to U.S. Census Bureau projections, most future population growth in the U.S. is going to occur through immigration and through births to current and future immigrants and their descendants. Because most children in immigrant families belong to Hispanic or non-White racial and ethnic minorities, the Census Bureau predicts that the proportion of children under age 18 who are White and non-

### Note from the Director–Barbara B. Blum

This issue of *the forum* is based on research conducted by Dr. Donald J. Hernandez, a distinguished scholar now on the faculty at the State University of New York at Albany. The topic of immigrant families and their children is one that requires far more attention and analysis than it currently receives. Dr. Hernandez's work highlights trends in the population that are of extraordinary importance to our nation. These changes merit far greater consideration from researchers.

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Hispanic will decline steadily and rapidly, from about 69 percent in 1990 to nearly 50 percent in 2030. Conversely, by about 2030, children who are Hispanic, Black, Asian, or of some other racial minority will constitute the other half of the childhood population of the United States, growing from about 31 percent in 1990. (See Figure 1.)

The Census Bureau also projects that by 2030, 74 percent of the elderly will be White, non-Hispanic, compared to only 59 percent for working-age adults, and 52 percent for children. (See Figure 2.) As a result, as the growing elderly population of the predominantly White baby-boom generation reaches retirement ages, it will increasingly depend for its economic support on the productive activities and the civic participation (i.e., the voting) of working-age adults who are members of racial and ethnic minorities, many of whom lived in immigrant families as children. Policymakers concerned about the future of U.S. education, health care, and the labor force, explains Dr. Hernandez, "should consequently consider the circumstances of racial and ethnic minorities—groups with cultural orientations that may differ from the current non-Hispanic majority, and who, in the past have often experienced limited social and economic opportunities."

**Figure 1: Projected Percent of Children Who Are Hispanic and Non-Hispanic White, Black, American Indian, and Asian/Pacific Islanders: 1980–2100**

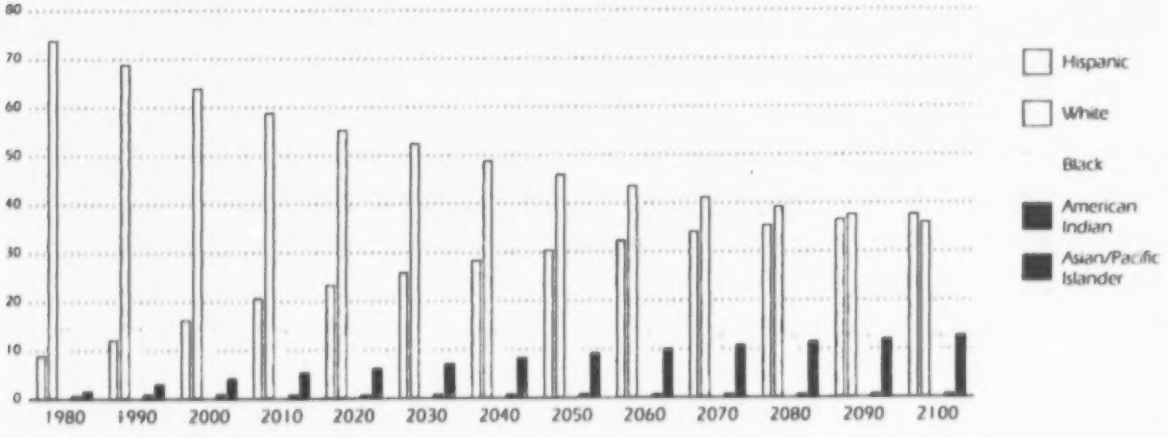
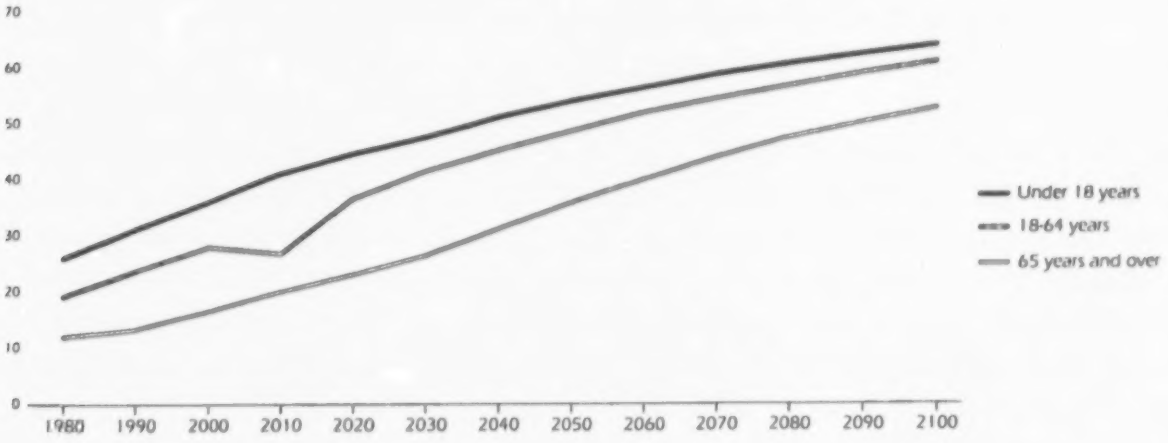



**Figure 2: Projected Percent of Children and Adults Who Are Hispanic or Non-White: 1980–2100**



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**The high poverty rate for children from these 12 countries is not strongly related to a lack of labor force participation among fathers or mothers, but instead is strongly associated with a lack of full-time year-round work among fathers, with extremely low educational attainments among fathers and mothers, and with linguistic isolation from English-speaking society.**

### Immigrants Hail From Many Countries But Concentrate in Few States

In 1990, 2.6 million children in immigrant families had origins in Mexico, 400,000 had origins in the Philippines, between 200,000 and 300,000 had origins in Vietnam, El Salvador, Cuba, Korea, Germany, the United Kingdom, and Canada, and at least 100,000 had origins in Laos, the Dominican Republic, Guatemala, Haiti, Colombia, Jamaica, China, Japan, Italy, and India. These 19 counties accounted for nearly six million children in immigrant families, or about 71 percent of the 8.3 million children in such families in the 1990 census. An additional 15 countries each accounted for at least 50,000 children in immigrant families.

Despite such diverse origins, children in immigrant families are concentrated in only a handful of states and in less than a dozen major metropolitan areas in the United States. In 1990, 74 percent of children in immigrant families lived in only six states: California, New York, Texas, Florida, Illinois, and New Jersey. California alone accounted for 35 percent of these children. They do, however, constitute a large proportion of children in many states. In 1990, children in immigrant families accounted for 39 percent of children in California, 20 to 25 percent of children in Florida, Hawaii, New Jersey, New York, and Texas, and for more than 10 percent of children in an additional 10 states. Early findings from the 2000 Census show that, for the first time in U.S. history, almost half of the nation's largest cities are home to a larger percentage of racial and ethnic minorities than Whites.

### Work Ethic Strong, But Education Low, Poverty High

Living in one-parent families has generally been found for children to have negative consequences for educational attainments and occupational success later during adulthood. The proportion of children living in one-parent families is substantially smaller for immigrant families than for children in U.S.-born families—17 percent vs. 26 percent in 1990. Children in immigrant families are substantially more likely than those in U.S.-born families to have both parents in the home. "In fact," points out Dr. Hernandez, "both first-generation and second-generation children are less likely than third- and later-generation children to live in one-parent families. These results indicate that children in immigrant families are more likely to benefit from stable two-parent family situations than are children in U.S.-born families," he concludes.

Researchers have also found negative educational and employment outcomes for children who generally live in families that experience instability in parental employment and low parental educational attainments that lead to poverty-level family incomes. The overwhelming majority of children in immigrant families, like those in U.S.-born families, have fathers who are in the labor force, at 88 to 95 percent across the generations. Children in immigrant and native-born families are fairly similar in their having mothers in the labor force. These results indicate that children in immigrant and native-born families live in families with equally strong work ethics.

Children in immigrant families also differ little from those in U.S.-born families in the proportion with parents who are highly educated. As of 1990, a nearly identical 24 to 26 percent of children both in immigrant and in U.S.-born families had fathers with four years of college or more. Similarly, a nearly identical 16 to 18 percent had mothers who were college graduates. But children in immigrant families are much more likely to have a father or a mother who has completed only eight years of schooling or less. The proportion of children in immigrant families who have a father or a mother with no more than eight years of schooling is about 25 percent, compared to only 3 percent for children in native-born families. Thus, about one-fourth of children in immigrant families have parents with extremely limited educational attainments. "This has potentially important implications for the educational and employment trajectories for these children during the coming years," says Barbara Blum, director of the Research Forum on Children, Families, and the New Federalism at the National Center for Children in Poverty.

## Poverty Concentrated Among Certain Countries of Origin

Children in immigrant families are somewhat more likely than those in U.S.-born families to live under the official poverty line—22 percent versus 17 percent. Over one third of the first generation is especially likely to live in official poverty, ($13,861 for a family of three in 2000) although poverty rates for children in immigrant families differ depending on their country of origin, and can range from a low of 4 percent for children from Ireland to a high of 51 percent for children from Laos.

Most of the poverty among children in immigrant families in the 1990 census was concentrated among children with origins in 12 countries, of whom one quarter to one half lived in poor families. These immigrants included officially recognized refugees, those fleeing countries experiencing war or political instability, and migrants seeking unskilled work. Mexico, currently the source of the largest number of both legal and illegal immigrants, has been an important source of unskilled labor for the U.S. economy throughout the 20th century.

In the 1990 census, the overall poverty rate for children in immigrant families from these 12 countries was 35 percent."In view of the negative risks associated with poverty generally, the situation of children from these countries may be particularly serious," comments Dr. Hernandez. Mexico alone accounted for 31 percent of all children in immigrant families, but they accounted for 50 percent of all children in immigrant families who lived in poverty. Altogether, children with origins in these 12 countries accounted for 46 percent of all children in immigrant families in 1990, but they accounted for about 80 percent of all children in poor immigrant families.

Although the overwhelming majority of children in immigrant families from these 12 countries—90 percent—had a father who was in the labor force, 40 percent had fathers do did not work full-time year-round, 46 percent had fathers with only 8 years of schooling or less, and 40 percent lived in linguistically isolated households where no one in the home age 14 or older spoke English exclusively or very well. Thus, the high poverty rate for children from these 12 countries is not strongly related to a lack of labor force participation among fathers or mothers, but instead is strongly associated with a lack of full-time year-round work among fathers, with extremely low educational attainments among fathers and mothers, and with linguistic isolation from English-speaking society.

Despite the fact that one-fourth of children in immigrant families live in linguistically isolated households, and about two-thirds speak a language other than English at home, language assimilation occurs very rapidly across generations. Nearly three-fourths of children in immigrant families speak English exclusively or very well. In addition, the proportion of children in immigrant families who speak English exclusively or very well jumps sharply from 55 percent for the first generation to 81 percent for the second generation.

## Welfare Reform Leaves Many Children Without Public Services

As a result of welfare reform, lack of U.S. citizenship has become a potential risk factor for children and parents in immigrant families. Although only one-fifth of children in immigrant families were not U.S. citizens in 1990, two-thirds were either themselves not citizens or lived with at least one parent who was not a citizen. Because parents who are not citizens may be unaware of their children's eligibility for important services or may fear to contact government authorities on behalf of their children, a substantial portion of children in immigrant families may be at risk of not receiving important public services or benefits. This may especially be the case among children with origins in the 12 countries with very high poverty rates, because children from these countries not only have high proportions in poverty, they also tend to have especially high proportions who are not citizens or have parents who are not citizens.

Prior to welfare reform, eligibility criteria already divided legal from illegal immigrants. Legal immigrants were entitled to health and other public benefits on basically the same terms as citizens, while illegal immigrants were barred from most public services, although some exceptions were made for emergency health care, for maternal and child health, and for infant nutrition programs. Now, notes Dr. Hernandez, the line divides legal immigrants from citizens. Under welfare reform, both illegal and legal immigrants are ineligible for important programs such as Temporary Assistance for Needy Families (TANF) and Food Stamps during their first five years in the United States Consequently, he emphasizes, "lack of U.S. citizenship has, for the first time, become a potential risk factor for children and parents in immigrant families."

## More Positive Picture On Child Health and School Adjustment

Not only is it important that the effects of welfare reform be studied to understand the circumstances of children in immigrant families, but it is also essential that immigrants be a major focus for future research to understand the overall effects of welfare, concludes Dr. Hernandez. "We know from recent research evidence that, prior to welfare reform, among those at greatest socioeconomic need, those in immigrant families had less access to health insurance and health care compared to third- and later-generation children, and they were less likely to live in families receiving a range of welfare benefits and services."

But baseline research commissioned by the committee on the extent to which children in immigrant families

**Lack of U.S. citizenship has, for the first time, become a potential risk factor for children and parents in immigrant families.**

received social services prior to welfare reform reveals some surprises. In view of their lower rates of public benefit use, children in immigrant families were doing at least as well, or better, than third- and later-generation children on a wide variety of indicators measuring physical health, mental health, and school adjustment.

"This conclusion must be tempered, however, for four reasons," explains Dr. Hernandez. First, the evidence pieced together and generated by the committee regarding the health and well-being of children in immigrant families is consistent across a wide variety of domains, but it is limited both in its quality and in the number of domains for which research is available. Second, available evidence suggests there is enormous variability across children with various countries of origin for many indicators. Third, the health and well-being of children in immigrant families appears to deteriorate through time and across generations, suggesting that the protective benefits of immigrant culture become more diluted over time. Lastly, the recent welfare reform places many children in immigrant families at risk of losing potentially important economic and health resources.

## More Research Needed to Study Immigrants

To be effective, policies and programs designed to foster the adjustment of children in immigrant families to American society must be founded on rigorous scientific knowledge about their needs, the processes that generate these needs, and approaches to addressing them, says Ms. Blum. "Unfortunately, few major data collection efforts provide a scientifically sound basis for monitoring or studying the health status and resources available to children in immigrant families." None of the major evaluations of welfare and health care reform is focused particularly on consequences for children in immigrant families points out Dr. Hernandez. At a minimum, such studies need to include substantial sub-samples of children in immigrant families, paying attention to factors uniquely relevant to outcomes such as their circumstances of migration, the duration of child and parental residence in the United States, and the immigrant status of siblings and parents.

To expand the scientific knowledge needed to improve public and private policies and programs for immigrant children and their families, the committee calls for the following kinds of research:

- A longitudinal study of children and youth in immigrant families by the federal government that measures both physical and psychological development.
- Ethnographic studies on the physical and mental health of children and youth in diverse immigrant families.
- Both quantitative and qualitative research on the effects of welfare reform and health care reform for children and youth in immigrant families, and on how access to and the effectiveness of health care and other services are affected by the provision of culturally competent care.
- Federal collection and coding of information on country of birth, citizenship status, and parents' country of birth in key national data collection systems, as is now done in the Census Bureau's annual Current Population Survey.
- Sub-samples in federal surveys that are large enough to reliably monitor the circumstances of children and youth in immigrant families as a whole, and where feasible, for specific countries of origin.

"The future of the economy and the polity depend on improved scientific understanding and on public and private policies and programs that assure healthy development, high educational attainments, and labor force success for these children," states Dr. Hernandez. "The implementation of these recommendations would enormously expand knowledge not only about these children, but about all children, to the benefit of the children and the nation."

The Committee on the Health and Adjustment of Immigrant Children and Families of the National Research Council and Institute of Medicine published its findings, conclusions, and recommendations in the committee report, titled *From Generation to Generation: the Health and Well-Being of Children in Immigrant Families* in 1998, and in a volume of research papers, titled *Children of Immigrants: Health, Adjustment, and Public Assistance* in 1999. The study director of the committee is Dr. Donald J. Hernandez, professor at the State University of New York at Albany and former chief of the Marriage and Family Statistics Branch, U.S. Bureau of the Census. Volumes may be obtained by calling 888-624-8373 or by visiting www.nap.edu/catalog/6164.html. The National Center for Children in Poverty will be releasing its own analysis of children in immigrant families using Current Population Survey data from 1993 to 2000 at www.nccp.org.

## Research Forum on Children, Families, and the New Federalism

The Research Forum, an initiative of the National Center for Children in Poverty, hosted at the Mailman School of Public Health, Columbia University, encourages collaborative research and informed policy on welfare reform and vulnerable populations. The Research Forum's ultimate goal is to identify and promote strategies that protect and enhance the well-being of poor children and their families.


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RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# When the Paychecks Stop—
## Unemployment Insurance Fails to Help Many Former Welfare Recipients Who Lose Their Jobs

Despite recent increases in employment among welfare recipients, 40 percent of former welfare recipients who exit welfare for work cannot rely on the unemployment insurance (UI) system as a safety net if they lose their jobs. Futhermore, those who stay on welfare longer before leaving welfare for work and those who leave welfare for nonwork-related reasons are even less likely to be able to use the UI system as a safety net. These are among the key findings from a study conducted by Mathematica Policy Research to better understand UI eligibility among former welfare recipients.

For the first time since the implementation of welfare reform, the United States has entered a recessionary period. There has been much speculation about what would happen to the record number of recipients who left welfare for work during the boom economy in the mid- to late 1990s when the economy eventually sagged. The slowdown of 2001 highlighted questions about whether former welfare recipients have broken the cycle of dependency and become mainstreamed into the labor force, enabling them to use the same social insurance programs available to other workers in case of job loss. An important question is whether the UI system, the primary safety net for working people who lose jobs, adequately addresses the needs of former recipients who have left welfare for work.

### Economic Conditions Worsen for Entry-Level Workers

Between March 2001, when the recession began, and year's end, the number of individuals employed declined by around 1.4 million workers. The largest declines occurred in October and November, with about 400,000 job losses in each month. These declines were concentrated in low-wage industries that are likely to employ former welfare recipients, such as manufacturing, services, and retail trade.

Another sign of weakness in the labor market was the increase by 1.1 million in the number of part-time workers who wanted to work full time during 2001. Although emerging data from early 2002 suggest that the recession may be mild, the number of individuals looking for jobs remains high. "Former welfare recipients may have greater difficulty than others in keeping their jobs or finding new ones," says Anu Rangarajan, director of the Mathematica Policy Research team working on UI issues and associate director for Human Services Research.

### A New Safety Net May Be Needed for Former Welfare Recipients

"To a large extent, welfare reform achieved one of its goals—to move individuals from dependency to employment and self-reliance," Dr. Rangarajan asserts. The 1996 welfare reform law that created Temporary

**Note from the Director–Barbara B. Blum**

This issue describes what we know about the role of unemployment insurance (UI) as a safety net for workers who were formerly welfare recipients and now face unemployment. Recent research on this issue has been done at Mathematica Policy Research using data from a five-year evaluation that is tracking 2,000 TANF recipients in New Jersey as they exit welfare for work. Anu Rangarajan, Ph.D., associate director for Human Services Research, and Walter Corson, Mathematica Policy Research vice president, are currently leading new research sponsored by the Assistant Secretary for Planning and Evaluation of the U.S. Department of Health and Human Services and the state of New Jersey to continue studying the UI system as a safety net for former TANF recipients. Given the time limits for coverage imposed by current welfare law, the unemployment insurance system is likely to play a key role in the future for low-income workers losing their jobs. Researchers and policymakers will need to pay greater attention to the variety of state regulations governing eligibility and payments under the UI system to safeguard low-income workers as the current welfare regime is reauthorized.


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### The Unemployment Insurance (UI) Program: Complex and Varying by State

The UI program, the largest worker protection or insurance program for job loss, was designed to help cushion the impact of an economic downturn and provide temporary wage replacement for those laid off. It is not means tested and is available for all workers. In most states, benefits are financed by employer taxes, with built-in financial disincentives for employers who frequently lay off workers.

#### Eligibility

Unemployment insurance eligibility rules and payment rates are complex and vary by state. The federal government sets broad guidelines, but states may define their eligibility requirements and establish benefit levels. Three factors determine UI eligibility: (1) length of employment, (2) reason for job separation, and (3) availability to work. In general, wages can be partially replaced through UI benefits if individuals have worked for a certain period of time and have had a minimum level of earnings, have lost their jobs through no fault of their own, and are able to, and available for, work.

In most states, to be eligible for UI, a person must have earned more than a specified amount over a one-year "base" period, frequently defined as the first four of the past five completed calendar quarters. Most states also require individuals to have worked in at least two quarters during the base period. A few states also require claimants to work a minimum number of weeks or hours. In 2001, the minimum earnings required in the base period to qualify ranged from $130 to $3,120. In most states, workers who are fired for a reason other than gross misconduct are usually eligible, while those who quit are usually ineligible. In a few states, however, workers who quit for personal reasons, such as child care or scheduling problems, are eligible. Most states also require claimants to actively look for full-time work. About 20 states allow those seeking part-time work to receive benefits.

#### Benefit Levels

Benefit levels also vary widely by state and are typically 40 to 60 percent of average weekly wages. Most commonly, the weekly benefit amount equals 50 percent of average weekly wages in the highest quarter of the base period up to a maximum amount. Maximum payments range from a low of around $200 a week in Louisiana and Mississippi to a high of around $500 a week in Massachusetts. Weeks of potential duration range from four to 30 weeks. Most states have a 26-week maximum. Twelve states also have dependent allowances.

#### Recipiency Rates

UI recipiency rates (the percentage of the unemployed claiming UI) tend to be fairly low and have been falling over time. Less than 40 percent of unemployed individuals nationally received benefits in 2000. Recipiency rates may be declining due to more optimistic job expectations, lack of awareness about eligibility, or a changing composition of the work force (including a decrease in manufacturing and unionization and an increase in part-time work). Variation in state UI programs and state labor markets leads recipiency rates to differ widely across states. In 2000, aggregate recipiency ratios averaged under 20 percent in New Hampshire to more than 70 percent in Connecticut and Massachusetts.

Assistance for Needy Families (TANF) transformed the old welfare system (Aid to Families with Dependent Children —AFDC) into one that provides temporary support and includes strong incentives for participants to work. Although some critics voiced concerns over the effects of welfare reform and the ability of the labor market to absorb welfare recipients in large numbers, strong economic conditions made the transformation easier, adds Dr. Rangarajan. Since mid-1996, welfare caseloads have declined by more than half—from 4.4 million families in August 1996 to just over 2.1 million in September 2001. Studies of welfare leavers show that nearly two-thirds leave for employment, so that well over a million individuals are expected to have entered the labor force.

These dramatic changes, however, took place during strong economic conditions. The recession, exacerbated by the events of September 2001, hit entry-level workers particularly hard. Before 1996, former recipients who lost their jobs could return to welfare. However, the current time limits on welfare and other disincentives to participate in TANF will make returning to welfare less feasible or even impossible for some, and the UI program may be the alternative safety net if jobs are lost.

### UI Program Rules Do Not Favor Low-Wage Workers

There is concern among some policymakers and researchers that the eligibility rules of the UI program make it less accessible to low-wage, entry-level workers, especially former welfare recipients who may move in and out of the labor force.

The UI program could place low-wage workers at a disadvantage in three ways, says Walter Corson, vice president of Mathematica Policy Research. First, to meet the minimum earnings requirements, low-wage workers must work more hours than higher-wage workers. Second, women with children, particularly single mothers with young children, may have child care or other family needs that lead them to quit their jobs, making them ineligible for UI in many states. Finally, for the same reasons, these individuals may be more likely to want to work part time, also making them ineligible for UI in many states.

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**Reforms to the UI system to better accommodate the needs of the working poor include using more recent earnings in eligibility determination, allowing those looking for part-time work to qualify for benefits, and having more generous nonmonetary eligibility related to reasons for job separation.**

## Pre-TANF Evidence Shows Few Former Welfare Recipients Would Qualify for UI

Little empirical evidence exists on the extent to which former welfare recipients can qualify for UI if they lose their jobs. Research conducted with pre-TANF data has shown that UI eligibility restrictions are more likely to disqualify former welfare recipients because they work in low-wage jobs. For example, explains Corson, an Urban Institute study by Wayne Vroman suggests that only about 20 percent of former welfare recipients are likely to be eligible for UI, while a study by Kelleen Kaye at the U.S. Department of Health and Human Services (DHHS) estimates an upper boundary of one-third are likely to have monetary eligibility, but only 13 percent are likely to receive UI.

Researchers are just beginning to address the issue of the extent to which the UI program is likely to cover welfare recipients who have worked more recently under the new welfare rules and in a period of strong economic conditions. Policymakers are also proposing changes to the UI system to better accommodate the needs of the working poor. These include such reforms as using more recent earnings in eligibility determination, allowing those looking for part-time work to qualify for benefits, and having more generous nonmonetary eligibility related to reasons for job separation.

However, there is limited knowledge about the sensitivity of UI eligibility to such changes or about how much former welfare recipients might benefit from proposed changes, says Dr. Rangarajan. She points out that one proposed change would allow those looking for part-time work to be eligible for UI. However, if part-time workers also have low wages, work intermittently, and do not qualify for UI because of inability to meet the minimum earnings requirements, then merely changing the rules to make those seeking part-time work eligible may have only a modest effect on eligibility rates.

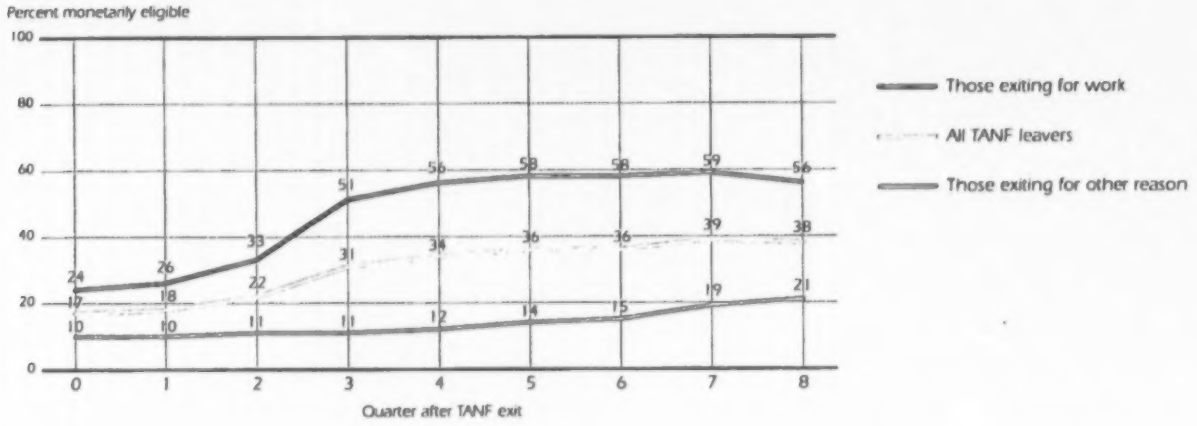
## UI Monetary Eligibility Rates Increase, But Many Former Welfare Recipients Still Ineligible

Some evidence from recent studies using post-TANF data suggest that more former welfare recipients earn enough to appear to be eligible for UI now than in pre-TANF periods, but many still remain ineligible. Higher eligibility rates are a result of their significantly longer labor force attachment. For example, says Corson, a study by Mathematica using New Jersey data shows median employment spells of around 16 months for employed welfare recipients in the post-TANF period, compared with median spell lengths of 6 to 9 months for employed recipients nationally during the 1980s and early 1990s.

Mathematica researchers examined patterns of UI eligibility after welfare exit using administrative and survey data from its Work First New Jersey (WFNJ) evaluation, a five-year evaluation tracking a sample of 2,000 welfare recipients who received TANF under the new welfare reforms. "New Jersey reflects the national average and trends fairly well with respect to welfare benefits, work requirement rules, and caseload profiles," points out Dr. Rangarajan. This study finds patterns of employment experiences of former TANF recipients in the state are similar to national patterns. New Jersey wages are slightly higher than national averages, partly reflecting the state's higher cost of living. To learn about UI eligibility, she and the team of researchers selected individuals who had exited welfare and worked within three months after exit. Using earnings information from quarterly wage records, the same source state UI programs use to determine monetary eligibility, the researchers examined how many of these former welfare recipients achieved UI eligibility and how quickly they did so. The findings show that:

- *Nearly half of those who exited welfare for work become monetarily eligible for UI within three quarters after welfare exit* (see figure on page 4). The eligible proportion grew to nearly 60 percent in later quarters. This figure is nearly twice as high as that found in studies using pre-TANF data. However, 40 percent remained ineligible. These findings are similar to those from other recent studies by Kelleen Kaye at DHHS and Heather Boushey and Jeffrey Wenger at the Economic Policy Institute that examined UI monetary eligibility. Using Survey of Income and Program Participation data, these researchers also found monetary eligibility rates of around 60 to 70 percent for former TANF and other public assistance recipients. Harry Holzer's study at the Urban Institute used data

**Monetary Eligibility for Unemployment Insurance Among All TANF Leavers**




from a survey of employers of welfare recipients in four cities. Based on median duration of employment and starting wages, he estimates that most of these former recipients would qualify for UI.

- *Few TANF recipients who exit welfare for nonwork-related reasons become eligible for UI.* When *all* TANF leavers, regardless of the reason for leaving welfare, were examined, eligibility rates were considerably lower—only about one-third had accumulated enough earnings to be monetarily eligible for UI. This is because many who exit welfare for nonwork-related reasons do not eventually move into the labor force. Some are disabled and transition from TANF to Supplemental Security Income, some live with an employed spouse or partner, and some do not qualify because they move in and out of the labor force.
- *Those who found work within three months of TANF entry were considerably more likely to attain eligibility for UI.* Around 70 percent of these working welfare recipients attained UI eligibility—and therefore may have been the most job ready—compared with 30 to 35 percent of those who stayed on welfare longer before leaving for work.

The study also examined how monetary eligibility changed under alternative definitions of the base period. The most common base period used by states includes the first four of the past five completed quarters. Some critics have argued that, by ignoring the most recent period worked, this definition penalizes low-wage workers who tend to work intermittently. A few states—including New Jersey—have chosen an alternative base period definition as well that includes all of the past four completed quarters (thus capturing more recent employment). "As we expected," says Corson, "we found that changing the base period to include more recent quarters of earnings makes former TANF recipients eligible for UI more quickly after TANF exit."

## New Study Underway on UI to Show How Changes Would Affect Eligibility

Many questions about the UI eligibility of former welfare recipients remain unanswered, say the Mathematica researchers: (1) How would potential changes in program requirements, such as minimum earnings to qualify, number of weeks worked, and nonmonetary requirements, affect UI eligibility? (2) What are the main reasons for noneligibility among former welfare recipients? (3) What safety nets do former welfare recipients have in case of job loss? In particular, to what extent does TANF remain a safety net for those who lose their jobs? Answers to these questions can help policymakers and researchers better understand the safety nets available to former TANF recipients and how much proposed UI changes might affect eligibility for this population.

The DHHS Office of the Assistant Secretary for Planning and Evaluation and the state of New Jersey have funded Mathematica to conduct a study to build on the research to date and examine these issues in greater detail. Specifically the researchers will address:

- *How sensitive is eligibility to those available for part-time work?* Many policymakers are concerned that former welfare recipients and low-wage workers may be disqualified from UI because they are unable to work full time. This study is examining the extent to which monetarily eligible individuals had worked in part-time jobs. These individuals may be the ones most likely to be disqualified for UI benefits if they want to continue to work part time.



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- ***How important are nonmonetary eligibility requirements such as reasons for job separation?*** One reform suggested by advocates is to allow those who quit their jobs for family- or schedule-related reasons to qualify for UI. Using data from surveys on detailed reasons for job separation, this study is looking at how many people report quitting work for family-related reasons and thus may be able to qualify if a state were to implement such a reform.
- ***What are UI benefit amounts for former welfare recipients who are eligible for UI?*** Using UI rules for the state of New Jersey, the Mathematica researchers are computing weekly benefit amounts for former welfare recipients who appear monetarily eligible for UI and calculating potential duration of benefits as well as the fraction of sample members whose weekly benefits and potential duration exceed the caps that the program rules impose. This information will help show the fraction of individuals for whom extending the benefit period or raising the weekly benefit amounts might be helpful.
- ***How might changes in UI program rules affect eligibility?*** Researchers are examining how sensitive UI eligibility and benefit levels are to alternative definitions of key program parameters. In addition to simulating New Jersey's UI benefits, they are examining how the benefits would differ if program rules of other more and less generous states are used.
- ***How many former TANF recipients actually receive UI?*** For employed former welfare recipients, UI rates may be even lower than the national average because many welfare recipients are not likely to have ever had contact with the UI system and thus would be less likely to seek benefits. Researchers will use claims data from New Jersey to examine how many of those who lost their jobs actually filed for UI and whether they eventually collected benefits.
- ***Is TANF still an alternative safety net for those eligible and ineligible for UI?*** While UI may be a viable safety net for those eligible, it is limited in duration. For those ineligible for UI, TANF is the only safety net option. The study team is examining the amount of time remaining on TANF until time limits are reached and the overall safety nets available to former recipients, including TANF and UI.

Mathematica researchers plan to expand this study by including data from several additional states with varying welfare and UI program rules. This will allow them to capture differences in employment and earnings patterns that may arise from variation in welfare rules across states or from other factors related to each state's labor market and consequently affect UI eligibility. Findings from these studies will be available in fall 2002.

**Changing the base period to include more recent quarters of earnings makes former TANF recipients eligible for UI more quickly after TANF exit.**

### Resources on Unemployment Insurance

*Note: Researchers and policymakers can request related UI publications by contacting Publications, jallen@mathematica-mpr.com (609-275-2350). To be put on the mailing list for information on current Mathematica Policy Research studies of UI, contact Anu Rangarajan, arangarajan@mathematica-mpr.com (609-936-2765).*


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## Research Forum on Children, Families, and the New Federalism

The Research Forum, an initiative of the National Center for Children in Poverty, hosted at the Mailman School of Public Health, Columbia University, encourages collaborative research and informed policy on welfare reform and vulnerable populations. The Research Forum's ultimate goal is to identify and promote strategies that protect and enhance the well-being of poor children and their families.

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RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

# Relative Caretakers in Child-Only Cases Lack Support Services to Fulfill Crucial Roles

While 90 percent of children in the United States not living with their parents live with relatives, the percentage of low-income children living in no-parent households is increasing. The Urban Institute recently reported that among low-income children, the share living with neither parent rose from almost 5 percent in 1997 to nearly 6 percent in 1999. For all children, the rate also rose (3.1 to 3.5 percent).

Marilyn Edelhoch, director for research and evaluation with the South Carolina Department of Social Services, recently examined a significant group of the children who are living without their parents—the children in "child-only" TANF (Temporary Assistance for Needy Families) cases. Most families receiving TANF, the federal welfare program created by the 1996 Personal Responsibility and Work Opportunity Reconciliation Act to replace the Aid to Families with Dependent Children (AFDC) program, are subject to work requirements and time limits while receiving benefits. In "child-only cases," caretakers receive TANF benefits only for the child and are generally exempt from federal and state work requirements.

## Note from the Director–Barbara B. Blum

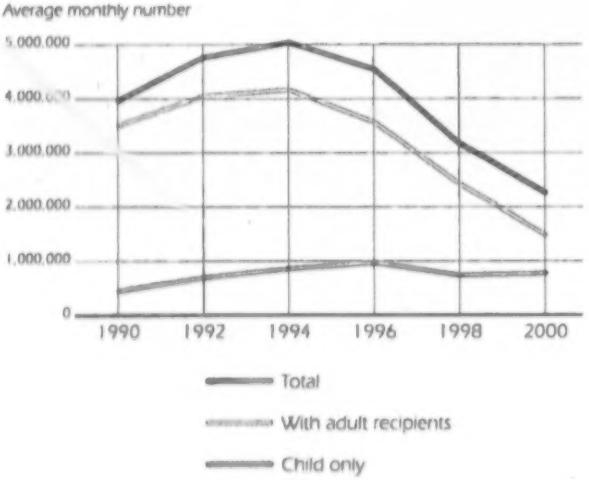
As TANF caseloads declined, child-only cases have become an increasingly larger percentage of the total caseload. The visibility of these special cases is at long last igniting interest and concern among policymakers, practitioners, and researchers. Drawing on the work of Dr. Marilyn Edelhoch, director for research and evaluation at the South Carolina Department of Social Services, this issue presents findings from a well-designed study focused on child-only cases in South Carolina, findings that are consistent with those from other studies recently published. The South Carolina data was originally published in March by the American Public Human Services Association journal *Policy & Practice*. Dr. Edelhoch and her team highlight the urgent need for increased financial and emotional support for the relative and other caretakers who receive TANF allowances for these children. Reauthorization offers an opportunity to enhance current policies.

Dr. Edelhoch and her team studied the needs of the relative caretakers of child-only cases, most of whom are grandparents or other older relatives in poorer health than the general population. Relative caretakers in child-only cases receive less than half the stipend paid to foster care parents in South Carolina and in many other states. Yet the child-only relative caretaker is often the only person standing between the child and a foster home.

### Child-Only Cases Growing Proportion of TANF Caseload

Welfare use declined 52 percent nationally between 1996 and 2001, from 4.4 to 2.1 million cases. Yet the decrease in child-only TANF cases was 25 percent in a comparable time period. Although child-only cases are not growing in absolute numbers, they are becoming an increasing proportion of the overall TANF caseload (see chart).

**Welfare Caseload (AFDC/TANF), FY 1990–2000**




Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research, and Evaluation. (2002). *Characteristics and Financial Circumstances of TANF Recipients, October 1999–September 2000* <http://www.acf.dhhs.gov/programs/opre/characteristics/fy2000/analysis.htm>



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A 2001 U.S. General Accounting Office survey revealed that while child-only cases are on average 31 percent of the national TANF caseload, the percentage in each state varies widely, from 13 percent in Hawaii to 73 percent in Wyoming. The most common type of child-only case involves a relative caregiver, followed by caretaker parents who are disabled and receive Supplemental Security Income (SSI) instead of TANF for themselves. Child-only cases are also created when parents are ineligible to receive TANF because they are noncitizens, or if they have been sanctioned for noncompliance with work (or other program) requirements.

## Relatives Are Often Best Alternative in No-Parent Households

Among "no-parent" households, placement with a relative (or "kinship care") is usually seen as the best alternative. Most states have been giving preference to relatives when placing children outside their parental home since the mid-1990's. A 1998 multi-state study sponsored by the U.S. Department of Health and Human Services' Administration for Children and Families found a high percentage of case workers agree that placement with relatives is best for the child, helps in identity formation, preserves family ties, and increases visitation.

In most cases, the children have suffered emotional trauma in separating from their parents. They may also have experienced abuse, neglect, and domestic violence. They are also affected by their parents' substance abuse, incarceration, ill health, or death. While relative placement may be the best alternative, it is important to consider how well the children and their relative caretakers are doing.

## TANF/Foster Care Payments for Relatives Differ Significantly

In 2000, some 2.2 million children lived in kinship care; most did not receive any cash assistance. The Urban Institute estimates that about 27 percent of all children in kinship care (and 36 percent of children in low-income kinship care) live in families that receive either a child-only TANF payment or a foster care payment.

The same reasons that cause children to be removed from their homes and placed in foster care bring children to reside with relatives in child-only cases; however, in child-only cases, relatives receive less money and fewer services. In South Carolina, the base rate for foster care payments per month for one child without special needs aged 6–12 years is $339 per month; the TANF payment to a relative caretaker for one child is 70 percent less—$102 per month. TANF payments decrease for subsequent children, while the foster payments are the same for each additional child. Foster parents receive a quarterly clothing allowance, but not TANF relative caretakers.

## Other Research on Child-Only Cases

### The Lewin Group

A study conducted for the U.S. Department of Health and Human Services of policy and practices in three states (California, Florida, and Missouri) described the characteristics of the 1999 child-only caseload. It attributed growth in this caseload since the late 1980s to policy changes in sanctioning and SSI eligibility, but also to an increase in the number of noncitizen cases.

### The Welfare Information Network (WIN)

*Issue Notes* (April 2001) addressed the well-being of children in child-only cases and concluded that little is known about this subject. It stated that more research on these children and their well-being is needed; the children in these families have often been separated from their natural parents because of adverse circumstances and may experience serious emotional and behavioral problems.

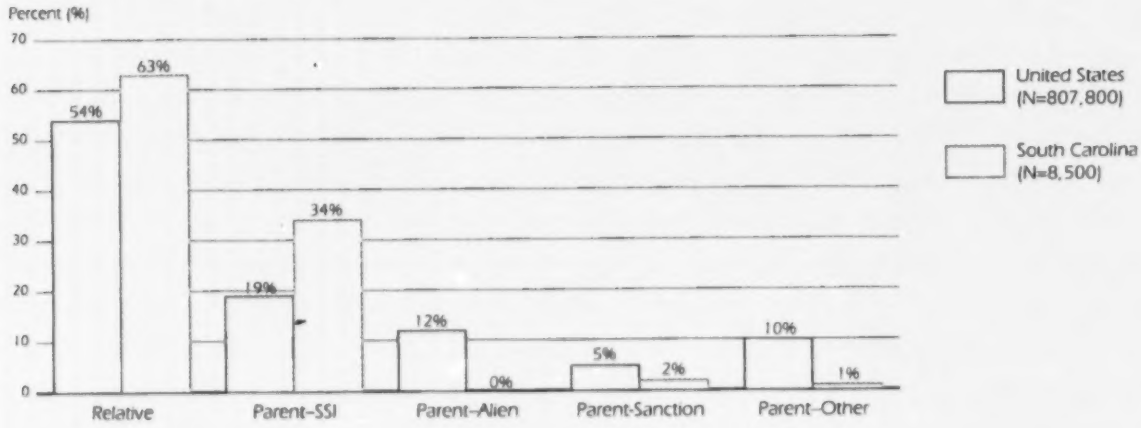
### The Urban Institute (UI)

A recent UI study based on analyses of the 1997 and 1999 rounds of the National Survey of America's Families found that children living with relatives do worse than children living with their parents on most measures of behavioral, emotional, and physical well-being. Urban Institute researchers found that while living with a relative yields better outcomes than foster care, the situations of relative caretakers may hinder the children's healthy development. Approximately a third live in families with incomes under 100 percent of the federal poverty level, and another third live in low-income families earning under 200 percent of the federal poverty level. Relative caretakers are often older, are less well-educated, and have health problems. Kinship families frequently qualify for needed services, such as food stamps, housing, and child care assistance, yet do not receive them. Both relative caretakers and children in kinship care are vulnerable to mental health problems.

### Mathematica Policy Research (MPR)

A survey of over 500 relative caretakers in New Jersey found that their average income was well above that of TANF families, $2,344 compared to $968 a month. However, seven out of 10 caretakers have incomes at or below 200 percent of poverty. Consistent with other research, relative caretakers in New Jersey are older and not in good health. Their average age is 52 compared to 32 for TANF recipients, and their physical health is similar to that of a typical 70-year-old. MPR found that three of 10 school-age children were enrolled in special education, and four of 10 teens had been suspended or expelled. MPR also looked at disabled parent caretakers in SSI cases and at immigrant parents whose children receive TANF benefits. High rates of food insecurity were found among SSI parents and their families. Immigrant families were found to be especially disadvantaged, with housing problems a particular concern.

**Caregiver Type in the TANF Child-Only Caseload, October 1999–September 2000**




Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research, and Evaluation. (2002). *Characteristics and Financial Circumstances of TANF Recipients, October 1999–September 2000* <http://www.acf.dhhs.gov/programs/opre/characteristics/fy2000/analysis.htm>

These disparities are seen in states with higher TANF benefits as well as in low-benefit states such as South Carolina. For example, in New York City, the comparable foster care payment for a 6- to 12-year-old child is $541, and the child-only TANF payment for one child is $352.

While relative foster parenting is uncommon in South Carolina, nationally nearly a third (29 percent) of foster parents are relatives. Why don't more relative caretakers in TANF cases become foster parents? For this to happen, the state must assume legal custody of the child, usually based on a finding of parental abuse or neglect, and place the child with the relative foster parent. In addition, the family from which the child was removed must have been welfare eligible. In contrast, all kin, regardless of income, who are caring for a relative child are eligible to receive TANF child-only payments, unless the child has SSI or some other source of income that would cause the child to exceed the TANF income limit.

Relative caretakers in TANF cases report that they see themselves as preventing foster care placement, and they may feel reluctant to give up custody of their grandchildren, or (grand) nieces or nephews. Hopes for reconciliation with parents may also cause reticence to terminate parental rights in court.

Foster parents are licensed by the state after receiving foster parent training and meeting standards for their home. Relative caretakers may be concerned that they may not meet licensing requirements due to factors such as poverty, crowded housing, or their own health limitations. (In practice, relative foster parents are not held to the same standards, nor do they receive the same services as non-relative foster parents in many states.) In states with budget shortfalls such as South Carolina, raising TANF payments to relative caretakers may become less likely as state revenues decline.

## Grandparents and Great-Grandparents Are Majority of Caretakers in South Carolina

In South Carolina, the TANF caseload dropped 70 percent from 1994 to 2001, and consequently, child-only cases grew to become half of the caseload. In 2001, the South Carolina Department of Social Services conducted over 340 in-depth interviews and analyzed administrative data to assess the stability of relative caretakers' homes and to determine the intent of the caretakers to raise the TANF children to maturity. Household composition, income, and deprivations were also assessed. The results provide a comprehensive look at the child-only relative caretaker, including the demographics, needs, and views of this special group, and some indicators of well-being of the TANF children they care for.

Three quarters of the caretakers are grandparents, or great-grandparents. The rest are aunts or uncles (19 percent), cousins or siblings (2 percent), or another adult (2 percent). Nearly two-thirds of relative caretakers in South Carolina are over age 50, half have less than a high school education, 80 percent are African-American, and about one-third are married.

In most cases (51 percent), relative caretakers have legal custody of the children, and 31 percent have guardianship of the children. In some cases, relative caretakers are caring for more than one child receiving TANF payments. While nearly 60 percent care for one TANF child, 25 percent care for two, and 15 percent care for three or more children.

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### About the South Carolina Study

A stratified random sample of 443 (10 percent) was drawn from the universe of 4,195 nonparental caretakers receiving TANF in February 2001 with at least six consecutive months on the rolls. The strata were based on the age of the focal child (under age 6, 6–13, and teens), with each strata consisting of one-third of the total sample. Telephone interviews were completed with 344 caretakers—a response rate of 78 percent. The co-principal investigators on the South Carolina child-only research are Dr. Marilyn Edelhoch, director for research and evaluation, and Dr. Qiduan Liu, senior statistician, of the South Carolina Department of Social Services.

Almost half (46 percent) of the relative caretakers stated that their household income before public assistance was less than $10,000 a year, and 31 percent reported income between $10,000 and $20,000. The average TANF benefit for these families was $140 per month. Records show that about half of these cases received an average of $194 per month in food stamps.

In terms of household composition, 36 percent of the respondents lived with spouses or partners, and 14 percent lived with adult children or grandchildren. Altogether, 51 percent had one or more other adults living in the household.

Because the majority of the caretakers are grandparents and are elderly, unearned income such as Supplemental Security Income, Social Security, and pensions from either the caretaker or other adult relatives constitutes a large portion of the household income in nearly half of the cases. Almost 40 percent of the relative caretakers receive disability benefits due to poor health or physical impairments, and in 11 percent of the cases, another adult in the household is disabled.

In 41 percent of the cases, the relative caretaker works, and 52 percent of the households contained at least one adult who worked. One-fifth of the TANF teenagers sometimes worked and contributed to household income. Nearly three-quarters of the caretakers were covered by some type of health insurance, including Medicaid (24 percent), Medicare (24 percent), and/or private insurance (29 percent), but 27 percent are apparently uninsured.

Many caretakers are older people who are managing their homes well despite very low incomes and without serious deprivation in most cases. In responding to questions about deprivations in the last year, 11 percent stated that they had had no money for food at some point. Less than 6 percent indicated that they had experienced any of the remaining deprivations asked about, including lack of medical care when needed or having had to move due to lack of funds. Most described their neighborhood as good or adequate; 8 percent indicated that the neighborhood they lived in was either "not too good" or "very bad."

## Abuse, Neglect, Incarceration, Drug Use Are Major Reasons For Parents' Absence

Relative caretakers told the interviewers that the children lived with them primarily because they were abused or neglected (16 percent), their parent(s) abused drugs (28 percent), or their parent(s) were incarcerated (13 percent). Another 20 percent were deserted by their parents. In the remaining cases, parents had died, were disabled or institutionalized, or were minors.

Records show that at least 35 percent of the sample of TANF children in this study had prior child protective services involvement. In addition, although incarceration was reported as the primary reason for 13 percent of the placements with relative caretakers, records also show that at least 18 percent of the children placed with relative caretakers had parents in prison.

In about three-quarters (74 percent) of the cases, the TANF child went to live with the relative caretaker directly from their parent(s) home, and in 16 percent of the cases, the children had a spell in foster care. The remaining 10 percent lived in a variety of situations before coming to the relative caretaker, including with other relatives, potential adoptive parents, and shelters. About a quarter of the children were placed with relative caretakers at birth.

## Most Relative Caretakers Plan on Raising Children to Maturity

Over 90 percent of the caretakers interviewed by the South Carolina team said that they would like to raise the child (or children) to the age of 18. Of the remaining 9 percent, half indicated they would like to but may be unable to, while the other half stated that they would not. The reasons given for not being able to raise the child include the caretaker's age (too old), health problems, and financial constraints. For a very small number (4 percent), the arrangement was planned to be temporary either because the caretaker could not make a long-term commitment or due to hopes that the parents' situation would improve (e.g., health would improve, school or military service would be completed, a job would be found).

Children in these cases have a slightly higher-than-average chance of staying with relative caretakers to maturity if the child is older, if the caretaker is not raising a child of her/his own, if the child's parent(s) died, or if the child had a child protective services history.

When asked how they felt about taking care of their TANF child or children, most caretakers were very positive, indicating that they felt they were doing the best thing for the children and would not have it any other way. A few admitted it was difficult given their age and health or that it had changed their lives more than they planned. Still, most indicated that the situation is definitely preferable to foster care placement and that they are willing to do as much as they can.

### Case Study Excerpts from the South Carolina Study

**Household Income and Circumstances**

Great-grandmother of two teens, boy and girl, ages 12 and 15, who is guardian due to parent's substance abuse stated she needs a little more financial help. "They only get $162 a month (together) and at their age, they are expensive and it takes a lot to raise teenagers. I am 70-years-old and I can't make it with just my income."

**Child Care Needs**

Grandmother caretaker of two boys, ages 10 and 14, who is guardian due to child neglect receives SSI, which provides an income under $10,000. She stated she loves being caretaker because they are her grandchildren, but she most needs... "some help with the boys because I am partially blind, to help with schoolwork and cleaning."

**Child Psychological Well-Being**

A grandmother of a 16- and an 18-year-old said it was hard on the kids when their mother became addicted to drugs. She plans to get both children into counseling to deal with the effects of their mother's addiction. A grandpa who is the sole caretaker of his granddaughter, age 6, due to her mother's substance abuse stated: "She asks about her mother all the time, and her mother only called twice since Christmas," (reported in March). Grandpa says, "I try very hard to keep her in the church. She likes to sing in the choir, and she is taking piano lessons. Everybody always tells me I am doing a good job with taking care of her. I even do her hair sometimes when I send her to school."

**Needed Supports**

A caretaker of two grandchildren, ages 15 and 13, due to incarceration of mother, and desertion of father stated: "I love taking care of them. They have their choice about who they wanted to live with and they choose us. Financial assistance for caretakers [is needed.] My husband is 62 and wanted to retire 2 years ago and could not because of the children... We are now in credit card debt. We are not complaining—it is just that it takes more than the $162 to take care of these children."

## Child Support, Child Care Needs High for Child-Only Caretakers

About 30 percent of the caretakers received some child support from at least one of the parents, an average of $120 a month. Of those not receiving child support, the majority had either filed for child support or had a court order awarding them child support. The reasons they did not receive child support were very similar to the reasons the children came to live with them in the first place, such as desertion, disability, incarceration, death, or problems such as substance abuse. One in 10 of the respondents did not know who a parent was or could not find the parent, and others never applied, either because they did not want to bother or did not want to have anything to do with the children's parents.

The team also found unmet child care needs. Two-thirds of the preschool children attend child care programs or have child care providers, most of which (90 percent) are center-based or school-based. About a third (36 percent) of the caretakers of preschool children receive child care assistance. Half of those without a child care provider say they need child care, and half of those not receiving child care assistance say they need it.

In addition, nearly 30 percent of the elementary and middle school-aged children have before- or after-school care, and an additional 9 percent of the caretakers expressed a need for such care. The need for respite care was also mentioned by relative caretakers.

## Some Children Not Getting Psychological Care They Need

Altogether, relative caretakers assessed the well-being of their TANF children as above average in about half the cases (48 percent), 29 percent were reported to be "about average," and the rest below average (18 percent) or not good at all (3 percent).

Over one-quarter (27 percent) of the children receive routine psychological care, including some rated as good or very good in psychological health. According to their caretakers, 11 percent of the children in the South Carolina sample need psychological care but are not receiving it.

Even though caretakers more often than not rated the children in their care as doing well or very well, many caretakers expressed concerns about the psychological, behavioral, and learning problems of the TANF children in the survey. Caretakers described problems with nightmares, anxiety attacks, depression, attention deficit disorder and other learning disabilities, promiscuity, and/or aggressive behavior of the children they care for. Many of these children had suffered serious trauma in the past, and caretakers cited the challenges of providing them with a nurturing environment conducive to normal development.

## More Safety Net Services Needed, Especially Financial Support

When asked what problems the caretakers had in raising the children and what might help, more than half ex-

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pressed the need for more support, especially regular financial assistance. The younger the TANF child, the greater the reported need for more financial support. The most frequently mentioned needs are:

- More money for the TANF child(ren), especially for clothes and school expenses
- Food stamps or more food stamps
- Health coverage for adults in the household and/or assistance with prescriptions
- Counseling for the TANF child(ren)
- Child care, after-school care, summer programs
- Support groups, home visitors, and/or respite care for the caretakers

An important concern of the caretakers are expenses associated with school, including clothes, uniforms, books, supplies, and field trips (see table). These are especially critical needs, since school engagement and involvement in school activities were shown by Urban Institute researchers to suffer in this group of children. Weak school engagement can lead to suspension or expulsion, and dropping out. Leaving school early is a good predictor of lowered life expectations and poor outcomes, such as teen pregnancy and poverty.

Even families with moderate incomes had worries. Receiving food stamps, or more food stamps, was mentioned by 40 percent of respondents. Family food stamp eligibility is based on total household income and does not adequately account for the expense of caring for TANF children with very low stipends, according to caretakers.

Some were spending retirement savings and others had to postpone retirement. Caretakers with children reaching college age worried about paying for college applications and tuition and incurring such significant debts later in life. Older caretakers were more likely to report health problems and high medical bills which, even for those with health insurance, can have a serious impact on financial stability.

Besides some of the children needing psychological counseling but not getting it, one-third (34 percent) of the relative caretakers indicated that they would like to join a support group, 21 percent said they would like to attend a "developmental class," and 24 percent said that they would like a home visitor. Many expressed gratitude that they were being interviewed and that the state was interested in their needs.

## Providing Support Services Costs Less Than Formal Foster Care

Providing larger TANF grants and relatively inexpensive support services to the caretakers of these children would cost substantially less for states than formal foster care, and there are many models to turn to. Some states and localities, including Colorado, California, Ohio, Louisiana, Alabama, and North Carolina, have developed support programs for relative caretakers. Nearly half of the 57 programs described in a 2001 U.S. Department of Health and Human Services report on programs that support kinship care had been operating for less than three years.

One of the oldest programs in the country is the Edgewood Center for Children and Families, in San Francisco, California. The Center helps with money for rent, clothes, shoes, and food, and support from social workers. It also provides a place for kids to be with other kids in the same situation. The Kinship Care Support Network at Edgewood began in 1992. Similar programs provide an array of services, such as financial assistance, school counseling and tutoring, emergency aid, respite care, and support groups.

**Caretakers Concerns and Difficulties in Providing for the Children**

| | Percent of Total | | | |
|---|---|---|---|---|
| | Preschool | 6–13 | 14+ | All |
| Providing records, documents to enroll in school | 3 | 2 | 2 | 2 |
| Providing health records to school | 3 | 3 | 2 | 2 |
| Paying for books, school supplies, projects | 13 | 34 | 16 | 25 |
| Paying for clothes, uniforms | 29 | 57 | 46 | 47 |
| Paying for field trips, band, yearbooks | 17 | 43 | 29 | 34 |
| Obtaining child care assistance | 29 | 9 | – | 13 |
| Obtaining child care so caretaker can go to work | 16 | 3 | – | 6 |
| Getting information about available services | 16 | 11 | 11 | 12 |

A different (and less expensive) model is The Kinship Navigator in New Jersey, a referral service designed to help caregivers navigate government services, such as TANF, food stamps, Medicaid, health insurance, and child care. Finally, the GrandFamilies House in Boston provides housing for grandparent-headed families and offers a preschool and afterschool care program with tutoring, a computer center, homework assistance, and senior fitness programs. It is hoped that the new programs will fill in much of the gap in services for relative caretakers of child-only cases.

Relative caretakers may be the "unsung heroes" of the welfare reform era by assuming care for the children of family members who have become too ill or incapable to continue parenting their own children, says Dr. Edelhoch. "There is overwhelming evidence that relative caretakers need more support. Preventing foster home placements and keeping relative caretakers' homes up and running are important goals. It is in the interest of the children, and in the interest of overburdened foster care programs across the country, for states to provide it."

**Relative caretakers may be the "unsung heroes" of the welfare reform era by assuming care for the children of family members who have become too ill or incapable to continue parenting their own children.**

**Resources on Child-Only Cases and Relative Caretakers**


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## Research Forum on Children, Families, and the New Federalism

The Research Forum, an initiative of the National Center for Children in Poverty, hosted at the Mailman School of Public Health, Columbia University, encourages collaborative research and informed policy on welfare reform and vulnerable populations. The Research Forum's ultimate goal is to identify and promote strategies that protect and enhance the well-being of poor children and their families.



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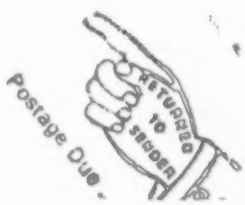





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